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SUBCHAPTER M—MISCELLANEOUS

PART 191—THE DOD CIVILIAN EQUAL EMPLOYMENT OPPORTUNITY (EEO) PROGRAM

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AUTHORITY: 5 U.S.C. 301, 10 U.S.C. 113.

SOURCE: 53 FR 30990, Aug. 17, 1988, unless otherwise noted.

§ 191.1 Purpose.

This part:

(a) Implements the DoD Humans Goals Charter; 29 U.S.C. 791, 792, 793, and 795; guidance from the Equal Employment Opportunity Commission (EEOC); guidance from the Office of Personnel Management (OPM); Executive Order 11830; General Services Administration Order ADM 5420.71A; Executive Orders 11141; 11246 Part II, 11375, and 12086; Office of Management and Budget (OMB) Circular No. A–11; 42 U.S.C. 2000E–16; Executive Order 11478; 38 U.S.C. 2014; 29 U.S.C. 631(b) and 633a; 5 U.S.C. chapters 43 and 72; Secretary of Defense Policy on Sexual Harassment, July 17, 1981; Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics) Multiple Addressee Memorandum, August 16, 1981; and 29 U.S.C. 206(d) by establishing the Civilian Equal Employment Opportunity (EEO) Program, to include affirmative action programs, consistent with guidance from the Equal Employment Opportunity Commission (EEOC), Office of Personnel Management (OPM), and the DoD Human Goals Charter.

(b) Consolidates in a single document provisions of Secretary of Defense Multiple Addressee Memorandum, June 23, 1981; DoD Directive 1100.11, DoD Directive 1450.1, DoD Directive 5120.46, and DoD Directive 1100.15, therefore cancelling each document.

(c) Authorizes, as an integral part of the Civilian EEO Program, the establishment of Special Emphasis Programs (SEPs) entitled the Federal Women's Program (FWP), the Hispanic Employment Program (HEP), and the Program for People with Disabilities (PPD), the Asian/Pacific Islander Employment Program (AEP), the American Indian/Alaskan Native Employment Program (AIEP), and the Black Employment Program (BEP).

(d) Establishes the Defense Equal Opportunity Council (DEOC), the Civilian EEO Review Board, the SEP Boards.

(e) Authorizes the issuance of DoD Instructions and Manuals to implement this part and guidance from standard-setting agencies such as EEOC and OPM, consistent with DoD 5025.1–M.

[53 FR 30990, Aug. 17, 1988, as amended at 56 FR 10170, Mar. 11, 1991; 57 FR 35755, Aug. 11, 1992]

§ 191.2 Applicability and scope.

This part:

(a) Applies to the Office of the Secretary of Defense (OSD) and activities supported administratively by OSD, the Military Departments, the Organization of the Joint Chiefs of Staff (as an element of the OSD for the purposes of this program), the Unified and Specified Commands, the Defense Agencies, the Army and Air Force Exchange Service, the National Guard Bureau, the Uniformed Services University of the Health Sciences, the Office of Civilian Health and Medical Programs of the Uniformed Services, and the DoD Dependents Schools (hereafter referred to collectively as ''DoD Components'').

(b) Applies worldwide to all civilian employees and applicants for civilian employment within the Department of Defense in appropriated and non-appropriated fund positions.

(c) Does not apply to military personnel, for whom equal opportunity is covered by DoD Directive 1350.2 [1].

[1] Copies may be obtained from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

(d) Covers Federal employment issues under section 504 of the Rehabilitation Act of 1973, as amended, even though DoD Directive 1020.1[2] implements section 504 with respect to programs conducted and assisted by the Department of Defense. The standards established under section 501 of the Rehabilitation Act of 1973, as amended, (29 U.S.C. 791, 792, 793, and 795), are to be applied under section 504 of the Act with respect to civilian employees and applicants for civilian employment in Federal Agencies.

[53 FR 30990, Aug. 17, 1988, as amended at 56 FR 10170, Mar. 11, 1991]

§ 191.3 Definitions.

Affirmative action. A tool to achieve equal employment opportunity. A program of self-analysis, problem identification, data collection, policy statements, reporting systems, and elimination of discriminatory policies and practices, past and present.

Age. A prohibited basis discrimination. For purposes of this Directive, persons protected under age discrimination provisions are those 40 years of age or older, except when a maximum age requirement has been established by statute or the OPM. Aliens employed outside the limits of the United States are not covered by this definition.

Discrimination. Illegal treatment of a person or group based on race, color, national origin, religion, sex, age, or disability.

Equal Employment Opportunity (EEO). The right of all persons to work and advance on the basis of merit, ability, and potential, free from social, personal, or institutional barriers of prejudice and discrimination.

Minorities. All persons classified as black (not of Hispanic origin), Hispanic, Asian or Pacific Islander, and American Indian or Alaskan Native.

National origin. A prohibited basis for discrimination. An individual's place of origin or his or her ancestor's place of origin or the possession of physical, cultural, or linguistic characteristics of a national origin group.

People with disabilities. People who have physical or mental impairments that substantially limits one or more major life activities, has a record of such impairment, or is regarded as having such an impairment. For purposes of this part, such term does not include any individual who is an alcoholic or drug abuser and whose current use of alcohol or drugs prevents such individual from performing the duties of the job in question, or whose employment, by reason of such current alcohol or drug abuse, would constitute a direct threat to property or to the safety of others. As used in this paragraph:

(a) *Physical or mental impairment.* Any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: neurological; musculoskeletal and special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genitourinary; hemic and lymphatic; skin; and endocrine; or any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities.

(b) *Major life activities.* Functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, and working.

(c) *Has a record of such impairment.* Has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major life activities.

(d) *Is regarded as having an impairment.* Has:

(1) A physical or mental impairment that does not substantially limit major life activities but is treated by an employer as constituting such a limitation;

(2) A physical or mental impairment that substantially limits major life activities only as a result of the attitude of others toward such impairment; or

(3) None of the impairments defined above but is treated by an employer as having an impairment.

Race. A prohibited basis for discrimination. For purposes of this part, all persons are classified as black (not of Hispanic origin), Hispanic, Asian or Pacific Islander, American Indian or Alaskan Native, and White, as follows:

[2] See footnote 1 to § 191.2(c).

(a) *Black (not of Hispanic origin).* A person having origins in any of the black racial groups of Africa.

(b) *Hispanic origin.* A person of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish culture or origin regardless of race.

(c) *Asian or Pacific Islander.* A person having origin in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands. This area includes, for example, China, India, Japan, Korea, the Philippine Islands, and Samoa.

(d) *American Indian or Alaskan Native.* A person having origins in any of the original peoples of North America, and who maintains cultural identification through tribal affiliation or community recognition.

(e) *White.* A person having origins in any of the original peoples of Europe, North Africa, or the Middle East.

Religion. Traditional systems of religious belief and moral or ethical beliefs as to what is right and wrong that are sincerely held with the strength of traditional religious views. The phrase ''religious practice'' as used in this part includes both religious observances and practices. DoD Components are expected to accommodate an employee's religious practices unless doing so causes undue hardship on the conduct of the Component's business.

Sexual Harassment. A form of sex discrimination that involves unwelcomed sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when:

(a) Submission to or rejection of such conduct is made either explicitly or implicitly a term or condition of a person's job, pay, or career; or

(b) Submission to or rejection of such conduct by a person is used as a basis for career or employment decisions affecting that person, or

(c) Such conduct interferes with an individual's performance or creates an intimidating, hostile, or offensive environment.

Any person in a supervisory or command position who uses or condones implicit or explicit sexual behavior to control, influence, or affect the career, pay, or job of a military member of civilian employee is engaging in sexual harassment. Similarly, any military member of civilian employee who makes deliberate or repeated unwelcomed verbal comments, gestures, or physical contact of a sexual nature is also engaging in sexual harassment.

Special Emphasis Program (SEPs). Programs established as integral parts of the overall EEO program to enhance the employment, training, and advancement of a particular minority group, women, or people with disabilities.

Standard-setting agencies. Non-DoD Federal Agencies authorized to establish Federal Government-wide EEO policy or program requirements. The term includes the EEOC; OPM: DoL, Office of Federal Contract Compliance Programs (OFCCP); and OMB.

[53 FR 30990, Aug. 17, 1988, as amended at 54 FR 15752, Apr. 19, 1989; 57 FR 35755, Aug. 11, 1992]

§191.4 Policy.

It is DoD Policy to:

(a) Recognize equal opportunity programs, including affirmative action programs, as essential elements of readiness that are vital to the accomplishment of the DoD national security mission. Equal employment opportunity is the objective of affirmative action programs.

(b) Develop and implement affirmative action programs to achieve the objective of a civilian work force in which the representation of minorities, women, and people with disabilities at all grade levels, in every occupational series, and in every major organization element is commensurate with the representation specified in EEOC and OPM guidance. Such programs, which shall be designed to identify, recruit, and select qualified personnel, shall be coordinated with the cognizant legal offices.

(c) Ensure that Civilian EEO Program activities for minorities, women, and people with disabilities are integrated fully into the civilian personnel management system.

(d) Assess progress in DoD Component programs in accordance with the affirmative action goals of the Department of Defense.

(e) Prohibit discrimination based on race, color, religion, sex, national origin, mental or physical disability, or age.

(f) Eliminate barriers and practices that impede equal employment opportunity for all employees and applicants for employment, including sexual harassment in the work force and at work sites and architectural, transportation, and other barriers affecting people with disabilities.

[53 FR 30990, Aug. 17, 1988, as amended at 54 FR 15752, Apr. 19, 1989; 57 FR 35756, Aug. 11, 1992]

§ 191.5 Responsibilities.

(a) The *Assistant Secretary of Defense (Force Management and Personnel* (ASD(FM&P)), or designee, shall:

(1) Represent the Secretary of Defense in all matters related to the DoD Civilian EEO Program, consistent with DoD Directive 5124.2[3]

(2) Establish and chair the DEOC.

(3) Establish a Civilian EEO Review Board.

(4) Develop policy and provide program oversight for the Civilian EEO Program.

(5) Ensure full implementation of this part, monitor progress of affirmative action program elements, and advise the Secretary of Defense on matters relating to the Civilian EEO Program.

(6) Ensure that realistic goals that provide for significant continuing increases in the percentages of minorities, women, and people with disabilities in entry, middle, and higher grade positions in all organizations and occupations are set and accomplished until the overall DoD objective is met and sustained.

(7) Prepare a new DoD Human Goals Charter each time a new Secretary of Defense is appointed.

(8) Ensure fair, impartial, and timely investigation and resolution of complaints of discrimination in employment, including complaints of sexual harassment.

(9) Establish DoD SEPs for the FWP, HEP, HIP, AEP, AIEP, and BEP.

(10) Establish DoD Special Emphasis Program Boards to assist with implementation of SEPs under this part.

(11) Establish DoD Civilian EEO Award Programs to provide for the annual issuance of Secretary of Defense Certificates of Merit to DoD Components and individuals for outstanding achievement in the major areas covered by this part, and to review all awards and management training programs within the Department of Defense to ensure that minorities, women, and people with disabilities receive full and fair consideration consistent with their qualifications and the applicable program criteria.

(12) Issue implementing instructions and other documents, as required, to achieve the goals of the DoD Civilian EEO Program and to provide policy direction and overall guidance to the DoD Components.

(13) Represent the Department of Defense on programmatic EEO matters with EEOC, OPM, the Department of Justice, other Federal Agencies, and Congress.

(14) Represent the Department of Defense on the Interagency Committee on Handicapped Employees under E.O. 11830, as amended, and the Council on Accessible Technology under General Services Administration Order ADM 5420.71A.

(15) Represent the Department of Defense at meetings and conferences of non-Federal organizations concerned with EEO programs, and coordinate DoD support of such organizations' activities with the Assistant Secretary of Defense (Public Affairs) and with DoD General Counsel in accordance with DoD Directive 5410.18[4], DoD Instruction 5410.19[5], DoD Directive 5500.2[6], and DoD Directive 5500.7[7].

(16) Serve as the DoD liaison with the Office of Federal Contract Compliance Programs (OFCCP), Department of Labor (DoL), for the purpose of providing contract information, forwarding complaints of discrimination filed

[3] See footnote 1 to § 191.2(c).

[4] See footnote 1 to § 191.2(c).

[5] See footnote 1 to § 191.2(c).

[6] See footnote 1 to § 191.2(c).

[7] See footnote 1 to § 191.2(c).

against DoD contractors, and implementing administrative sanctions imposed against DoD contractors for violations of E.O. 11141; E.O. 11246; as amended by E.O. 11375, E.O. 12088; and DoL implementing regulations.

(17) Ensure that the DoD FAR Supplement contains appropriate contract provisions for EEO for Government contractors and subcontractors under Executive Orders 11141, 11246 Part II, 11375, and 12086; Section 402 of the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended; Section 503 of the Rehabilitation Act of 1973, as amended; and DoL implementing regulations.

(b) The *Heads of DoD Components,* or their designees, shall:

(1) Ensure that all EEO policies are disseminated widely and that they are understood and implemented at all levels within their Components.

(2) Ensure that their Components comply with EEOC and OPM guidance and this part and that minorities, women, and people with disabilities receive full and fair consideration for civilian employment in all grade levels, occupations, and major organizations, with special emphasis on mid-level and higher grades and executive-level jobs, including the Senior Executive Service (SES) and SES candidate pools.

(3) Treat equal opportunity and affirmative action programs as essential elements of readiness that are vital to accomplishment of the national security mission.

(4) Designate a Director of Civilian Equal Opportunity and allocate sufficient staff and other resources to ensure a viable EEO program under this Directive. This includes assignment of staff to be responsible for EEO and affirmative action programs generally and SEP Managers for the SEPs established under this part at the Component level.

(5) Establish DoD SEPs, for the FWP, HEP, PPD, AEP, AIEP, and BEP at Headquarters level and at all field activities levels unless exemptions are granted to field activities. Authority to grant exceptions to field activities of DoD Components is delegated to the Component Heads who, in turn, may redelegate this authority.

(6) Require that EEO be included in critical elements in the performance appraisals of all supervisors, managers, and other Component personnel, military and civilian, with EEO responsibilities.

(7) Ensure fair, impartial, and timely investigation and resolution of complaints of discrimination in employment, including complaints of sexual harassment.

(8) Set realistic Component goals and motivate subordinate managers and supervisors to set and meet their own goals until overall DoD and Component goals are met and sustained.

(9) Evaluate employment policies, practices, and patterns within their respective Components and identify and correct and institutional barriers that restrict opportunities for recruitment, employment, advancement, awards, or training for minorities, women, and people with disabilities and ensure that EEO officers and civilian personnel officers provide leadership in eliminating these barriers.

(10) Ensure that installations and activities establish focused external recruitment programs to produce employment applications from minorities, women, and people with disabilities who are qualified to compete effectively with internal DoD candidates for employment at all levels and in all occupations.

(11) Establish a continuing EEO educational program (including training in the prevention of sexual harassment) for civilian and military personnel who supervise civilian employees.

(12) Establish EEO Awards Programs to recognize individuals and organizational units for outstanding achievement in one or all of the major EEO areas covered by this part.

(13) Review all award and management training programs to ensure that minorities, women, and people with disabilities are considered, consistent with their qualifications and program criteria.

(14) At military installations having a civilian work force and military units, ensure that the Civilian EEO Program is managed by and conducted for civilian personnel only and that the Military Equal Opportunity Program is managed by and conducted for military

personnel only. Any exceptions to this policy must be authorized by the Component head.

[53 FR 30990, Aug. 17, 1988, as amended at 56 FR 10170, Mar. 11, 1991; 57 FR 35756, Aug. 11, 1992]

§ 191.6 Procedures.

(a) Officials designated in this Directive shall allocate resources necessary to develop methods and procedures to ensure that all elements of this part are fully implemented and are in compliance with the spirit and intent of the DoD Human Goals Charter, laws, executive orders, regulatory requirements, and other Directive and Instructions governing the Civilian EEO Program within the Department of Defense.

(b) Heads of DoD Components, in accordance with EEOC and OPM guidance and subject to oversight by and supplemental guidance from the ASD(FM&P), or designee shall:

(1) Develop procedures for and implement an affirmative action program for minorities and women, consistent with section 717 of the Civil Rights Act of 1964, as amended; E.O. 11478; guidance from EEOC; and guidance from OPM.

(2) Develop procedures for and implement an affirmative action program for people with disabilities consistent with section 501 of Rehabilitation Act of 1973, as amended, and guidance from EEOC.

(3) Develop procedures for and implement an affirmative action program for disabled veterans, consistent with DoD Directive 1341.6.[8] This program shall be consistent with the program established in paragraph (b)(2) of this section and coordinated with the Component's PPD manager.

(4) Develop procedures for and implement systems for investigation and resolution of complaints of employment discrimination under section 717 of the Civil Rights Act of 1964, as amended; sections 501, 503, and 504 of the Rehabilitation Act of 1973, as amended and DoD Directive 1020.1; section 402 of the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended; the Age Discrimination in Employment Act of 1967, as amended; guidance from EEOC; and applicable case law.

(5) Develop procedures for and implement a Federal Equal Opportunity Recruitment Program for minorities and women and a comparable special recruitment program for people with disabilities in accordance with the Civil Service Reform Act of 1978; EEOC instruction concerning affirmative action programs for people with disabilities; guidance from OPM; external recruitment programs to obtain employment applications from minorities, women, and people with disabilities who are competitive with internal DoD candidates for employment at all levels.

(6) Develop procedures for and implement all SEPs established under this part at the Component level. These SEPs shall be integral parts of the Civilian EEO Program and shall be conducted in accordance with the provisions of this part and applicable EEOC and OPM guidance.

(7) Develop procedures for and implement a program to eliminate sexual harassment in Component work places, consistent with DoD Policy on Sexual Harassment memorandums, and to ensure compliance with the Equal Pay Act.

(8) Develop procedures for and implement a program of employment preference for spouses of military personnel, in accordance with DoD Instruction 1404.12.[9]

(9) Develop procedures for and implement a selective placement program for people with disabilities in accordance with guidance from OPM. This program shall be consistent with the program established in paragraph (b)(2) of this section, and coordinated with the Component's PPD manager.

(10) Develop procedures for and implement staffing initiatives, training and development programs, and upward mobility programs designed to increase the representation of qualified minorities, women, and people with disabilities on certificates of eligibility and accompanying lists of individuals eligible for special appointments that are provided to selecting officials at all

[8] See footnote 1 to § 191.2(c).

[9] See footnote 1 to § 191.2(c).

levels within the Component. These programs should include SES candidate programs and shall be targeted in career field in which there is underrepresentation and a likelihood of vacancies (e.g., science and engineering positions).

(11) Develop procedures for and implement a program to evaluate all supervisors and managers with EEO responsibilities on their contributions to and support of the Component's EEO program. Specifically, Component SES and General Manager personnel, when appropriate, shall have their EEO responsibilities defined as a critical element in their performance appraisals in accordance with the Civil Service Reform Act of 1978.

(12) Develop procedures for an implement a program to participate in and conduct ceremonies, where appropriate, at all levels of the Component to observe nationally proclaimed or other specially-designated community activities that particularly affect minorities, women, and people with disabilities and that support the Civilian EEO Program. Military and civilian personnel should both participate whenever possible. Example of special observances include Dr. Martin Luther King Jr.'s Birthday, Black History Month, National Women's History Week, Women's Equality Day, Hispanic Heritage Week, National Disability Employment Awareness Month, and the Decade of Disabled Persons.

(13) Develop procedures for and implement a program to revise documents and change practices and policies that discriminate against civilian personnel on the basis or race, color, sex, religion, national origin, mental or physical disability, or age.

(14) Develop procedures for and implement and affirmative action program for the continued Federal employment of minorities, women, and people with disabilities who have lost their jobs in DoD Components because of contracting decisions made under OMB Circular No. A–76. (Under OMB Circular Federal employees have, in general, the right of first refusal of employment under these contracts.)

(15) Develop precedures for and implement a program for computer support of employees with disabilities consistent with DoD participation in activities of the Council on Accessible Technology in accordance with General Services Administration Order ADM 5420.71A.

[53 FR 30990, Aug. 17, 1988, as amended at 54 FR 15752, Apr. 19, 1989; 57 FR 35756, Aug. 11, 1992]

§191.7 Civilian EEO program staff.

(a) EEO Managers, including SEP Managers and other staff who are responsible for EEO and affirmative action programs, shall function at a level that is sufficiently responsible with the assigned organization to enable them to communicate effectively the goals and objectives of the program and to enable them to obtain the understanding, support, and commitment of managers and other officials at all levels within the organization.

(b) It shall be the responsibility of EEO Managers, SEP Managers, and other program staff to develop, coordinate, implement, and recommend to managers, other officials, and covered groups the policy, guidance, information, and activities necessary to attain the goals of the SEPs and the overall DoD Civilian EEO Program.

§191.8 Defense equal opportunity council and EEO boards.

(a) The DEOC shall be chaired by the ASD (FM&P) and shall coordinate policy for and review civilian and military equal opportunity programs, monitor progress of program elements, and advise the secretary of Defense on pertinent matters. One of the mandates of the DEOC shall be to pursue an aggressive course of action to increase the numbers of minorities, women, and people with disabilities in management and executive positions at grades 13 and above, including the SES and, at the request of the Secretary of Defense, Schedule C, and other noncareer executive positions in the SES and on the Executive Schedule. Members of the DEOC shall include the assistant Secretary of Defense (Reserve Affairs), Director of Administration and Management, and the Assistant Secretaries with responsibility for personnel policy and reserve affairs in the Military Departments.

(b) The Civilian EEO Review Board shall be chaired by the ASD(FM&P), or designee. The Board shall support the DEOC and shall be made up of designated EEO and personnel representatives from the DoD Components and such other individuals as may be necessary to carry out the work of the DEOC and implement this part. The Board shall work with career management officials, other key management officials, and union representatives in developing policies, programs, and objectives.

(c) The DoD SEP Boards shall be chaired by the DoD SEP Managers. These Boards shall be comprised of designated SEP Managers from the DoD Components and such other individuals as may be necessary to advise and assist in EEO activities and policy development in the Department of Defense. The Boards shall work with career management officials, other key management officials, and union representatives in developing policies, programs, and objectives.

(d) The DEOC, Civilian EEO Review Board, and each SEP Board established at the DoD level shall have a Charter that describes its organization, management, functions, and operating procedures, consistent with DoD Directive 5105.18.[10]

(e) Civilian EEO Review Boards and SEP Boards may be established at Component, command, and installation levels as well as the DoD level to assist in program activities.

(f) Members of covered groups should be represented on Civilian EEO Review Boards, SEP Boards, and subcommittees at all levels; and consideration should be given to participation by military personnel and by Federal employees who are union representatives.

[53 FR 30990, Aug. 17, 1988, as amended at 54 FR 15752, Apr. 19, 1989; 57 FR 35756, Aug. 11, 1992]

§ 191.9 Information requirements.

(a) The ASD(FM&P) shall:

(1) Submit an annual report to the Secretary of Defense on the status of the DoD EEO program. This report shall be developed from existing documents, such as affirmative action plan accomplishment reports, civil rights budget reports, semiannual discrimination complaint reports, and Federal Equal Opportunity Recruitment Program reports, plus statistical data obtained from the Defense Manpower Data Center and reports of visits to DoD installations.

(2) Submit consolidated DoD annual reports on discrimination complaints to the EEOC in accordance with EEOC guidance. This reporting requirement is assigned Interagency Report Control Number 0288–EEO–NA.

(b) Heads of DoD Components shall:

(1) Submit annual reports on discrimination complaints to the ASD(FM&P), or designee, in accordance with guidance from the EEOC. This reporting requirement is assigned Interagency Report Control Number 0288–EEO–NA.

(2) Submit copies of affirmative action program plan, affirmative action program plan updates, and affirmative action plan accomplishment reports for minorities, women, and people with disabilities to the ASD(FM&P), or designee, in addition to copies of annual reports for the Federal Equal Opportunity Recruitment Program.

(3) Ensure that designated officials submit information for an annual report on computer support of employees with disabilities and for reports on individual computer accommodations for employees with disabilites. These reporting requirements are assigned RCS DD–FM&P (A) 1731 and RCS DD–FM&P (AR) 1732.

[53 FR 30990, Aug. 17, 1988, as amended at 54 FR 15752, Apr. 19, 1989; 57 FR 35756, Aug. 11, 1992]

§ 191.10 Effective date.

This part is effective May 21, 1987.

PART 192—EQUAL OPPORTUNITY IN OFF-BASE HOUSING

Sec.
192.1 Purpose.
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192.6 Procedures.

APPENDIX A TO PART 192—CHECKLIST FOR COMMANDERS

[10] See footnote 1 to § 191.2(c).

APPENDIX B TO PART 192—PROCEDURES AND REPORTS

AUTHORITY: 42 U.S.C. 3601 et seq.

SOURCE: 55 FR 6248, Feb. 22, 1990, unless otherwise noted. Redesignated at 56 FR 32964, July 18, 1991.

§192.1 Purpose.

This part:

(a) Revises 32 CFR part 192.

(b) Revises the references, policies, and procedures covering off-base housing and fair housing enforcement.

(c) Outlines discrimination complaint inquiries or investigative procedures and hearing requirements.

(d) Deletes the requirement for each Military Department to submit a semi-annual housing discrimination report to the Assistant Secretary of Defense (Force Management and Personnel) (ASD(FM&P)).

(e) Requires each Military Service to report to the ASD(FM&P) any housing discrimination cases and their results in their Annual Military Equal Opportunity Assessment Report to the ASD(FM&P).

(f) Requires each Military Department to maintain all completed or resolved housing discrimination cases.

(g) Emphasizes liaison with other Government (local, State, or Federal) agencies.

[55 FR 6248, Feb. 22, 1990. Redesignated and amended at 56 FR 32964, July 18, 1991]

§192.2 Applicability.

This part applies to the Office of the Secretary of Defense (OSD), the Military Departments, the Joint Chiefs of Staff (JCS), the Joint Staff, the Unified and Specified Commands, the Inspector General of the Department of Defense (IG, DoD), the Uniformed Services University of the Health Sciences (USUHS), the Defense Agencies, and DoD Field Activities (hereafter referred to collectively as ''DoD Components''). The term ''Military Services,'' as used herein, refers to the Army, Navy, Air Force, and Marine Corps. DoD civilian employees (as defined in §192.3) will be offered the same services that members of the Armed Forces receive.

[55 FR 6248, Feb. 22, 1990. Redesignated and amended at 56 FR 32964, July 18, 1991]

§192.3 Definitions.

Agent. Real estate agency, manager, landlord, or owner of a housing facility doing business with DoD personnel or a housing referral service (HRS).

Area Outside the United States. Foreign countries where DoD personnel reside.

Commander. The military or civilian head of any installation, organization, or agency of the Department of Defense who is assigned responsibility for the off-base housing program.

Commuting Area. That area which is within a 1 hour commute by a privately-owned vehicle during rush hour and no farther than 30 miles from the installation, or within other limits to satisfy mission requirements.

Complainant. A member of the Armed Forces (or authorized dependent designated by the member) or a civilian employee of the Department of Defense (or authorized dependent designated by the civilian employee) who submits a complaint of discrimination under this part.

Discrimination. An act, policy, or procedure that arbitrarily denies equal treatment in housing because of race, color, religion, sex, national origin, age, handicap, or familial status to an individual or group of individuals.

DoD Personnel. (1) Members of the Armed Forces (and their dependents) authorized to live off-base.

(2) DoD civilian employees (and their dependents) who are transferred from one place of residence to another because of job requirements or recruited for job opportunities away from their current place of residence in the United States, and all DoD U.S. citizen appropriated fund and nonappropriated fund civilian employees and their dependents outside the United States.

Familial Status. One or more individuals (who have not attained the age of 18 years) being domiciled with a parent or another person having legal custody of such an individual or individuals; or the designee of such parent or other person having such custody, with the written permission of such parent or other person.

Listed Facility. A suitable housing facility (not on restrictive sanction) listed with the HRS as available for occupancy by DoD personnel.

Minorities. All persons classified as black (not of Hispanic origin), Hispanic, Asian or Pacific Islander, or American Indian or Alaskan native.

Relief for the Complainant. Action taken by a commander for the benefit of a complainant.

Restrictive Sanctions. Actions taken by a commander to prevent military personnel from moving to, or entering into a rental, lease, or purchase arrangement with, a housing facility, when its agent has been found to have discriminated against DoD personnel. Restrictive sanctions are effective against the agent and the facility.

Survey. The procedure by which the HRS identifies housing resources to ascertain the availability of housing facilities for occupancy by DoD personnel.

Verifiers. Volunteers used by the commander during the course of a housing discrimination investigation to determine if, in fact, housing discrimination is being practiced by an agent, as alleged. Verifiers are not required to be prospective tenants.

§ 192.4 Policy.

It is DoD policy that under DoD Directive 1350.2[1] the Department of Defense is fully committed to the goal of obtaining equal treatment for all DoD personnel. Specific guidance on off-base housing and fair housing enforcement is as follows:

(a) *National Housing Policy.* Federal law prohibits discrimination in housing in the United States against any person because of race, color, religion, sex, age, national origin, handicap, or familial status.

(1) Title VIII of P.L. 90–284 contains the following:

(i) The fair housing provisions.

(ii) Outlines the responsibilities of the Secretary of Housing and Urban Development (HUD) with regard to Public Law 90–284.

(iii) Requires all Executive Departments and Agencies to administer housing and urban development programs and activities under their jurisdiction in a manner that shall reflect ''affirmatively'' the furthering of title VIII.

(2) Title IX of Public Law 90–284 makes it a crime to intimidate willfully or interfere with any person by force or threat because of that person's activities in support of fair housing.

(3) Title 42 U.S.C. 1982 prohibits discrimination in housing in the United States. This statute protects DoD personnel.

(4) Public Law 100–430 amends title VIII of Public Law 90–284 by revising the procedures for the enforcement of fair housing requirements and adding protected classes of individuals.

(5) Title VIII of Public Law 90–284, as amended by Public Law 100–430, does not limit the applicability of any reasonable local, State, or Federal restrictions regarding the maximum number of occupants permitted to occupy a dwelling. Additionally, provisions of such title VIII regarding familial status do not apply with respect to housing intended for, and solely occupied by, persons 62 years of age or older or intended and operated for occupancy, but at least one person 55 years of age or older. For guidance regarding housing occupied by those 55 years of age or older, use the statutory provision at section 805 b(2)(c), 102 Stat. 1623, of Public Law 100–430.

(b) *DoD Fair Housing Policy.* The Department of Defense intends that Federal fair housing law shall be supported and that DoD personnel shall have equal opportunity for available housing regardless of race, color, religion, sex, age, national origin, handicap, or familial status.

(1) That policy includes the objective of eliminating discrimination against DoD personnel in off-base housing. That objective is not achieved simply by finding a place to live in a particular part of town or in a particular facility for a specific person.

(2) The intent is achieved when a person meeting the ordinary standards of character and financial responsibility is able to obtain off-base housing equally as any other person anywhere in the area surrounding a military installation, without suffering discrimination based on race, color, religion,

[1] Copies of all DoD issuances listed in this part may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

sex, age, national origin, handicap or familial status.

(i) The accomplishment of this objective shall not be hampered by requiring the submission of a formal complaint of discrimination. A suspected discriminatory act, with or without the filing of a formal complaint, is a valid basis for investigation and, if discrimination is substantiated, imposition of restrictive sanctions.

(ii) On substantiation that an agent practiced discrimination, restrictive sanctions shall be imposed for a minimum of 180 days.

(iii) The fact that Public Law 90–284, 42 U.S.C. 1982, and Public Law 100–430 may or may not provide a remedy in a given case of discrimination affecting DoD personnel does not relieve a commander of the responsibility to ensure equal treatment and equal opportunity for such personnel or to impose restrictive sanctions against the agent and/or facility, when appropriate.

(iv) Military installations shall develop information programs to apprise Service members of the DoD policy and program for equal opportunity in off-base housing. Commanders should use local community resources, such as civil rights organizations, religious and service groups, and local information media, in support of their programs.

[55 FR 6248, Feb. 22, 1990. Redesignated and amended at 56 FR 32964, July 18, 1991]

§ 192.5 Responsibilities.

The *Secretaries of the Military Departments* shall:

(a) Ensure nondiscrimination in referring DoD personnel to off-base housing facilities.

(b) Continue efforts (as described in DoD 4165.63–M[2] to identify and solicit nondiscriminatory assurances for housing facilities within the commuting area, which are considered to be suitable for occupancy by Service members.

(c) Ensure that an office and staff required by DoD 4165.63–M are available in conjunction with the cognizant staff judge advocate or other legal authority to advise Service members on the following:

(1) The procedures in this part.

(2) The application of Public Law 90–284, 42 U.S.C. 1982, and Public Law 100–430 in specific situations.

(3) The rights of individuals to pursue remedies through civilian channels, without recourse and in addition to the procedures prescribed in this part, including the right to:

(i) Make a complaint directly to the Department of HUD and/or to the Department of Justice (DoJ) in the United States.

(ii) Bring a private civil action in any court of competent jurisdiction.

(d) Periodically review off-base housing procedures and policies to ensure effectiveness and compliance with this part. (Appendix A to this part is a checklist to help commanders with this review.)

(e) Cooperate with other Government Agencies investigating housing discrimination complaints filed by Service members.

(f) Ensure that each Military Service reports any housing discrimination cases and their results in the Annual Military Equal Opportunity Assessment Report required by DoD Instruction 1350.3.

[55 FR 6248, Feb. 22, 1990. Redesignated and amended at 56 FR 32964, July 18, 1991]

§ 192.6 Procedures.

(a) Appendix B to this part contains the detailed procedures for assisting Service members, investigating housing complaints, and reporting requirements for housing discrimination complaints.

(b) The complaint and investigative report required in section B., appendix B to this part is exempt from formal approval and licensing under DoD 7750.5–M.[3]

[55 FR 6248, Feb. 22, 1990. Redesignated and amended at 56 FR 32965, July 18, 1991]

APPENDIX A TO PART 192—CHECKLIST FOR COMMANDERS

A. Are all assigned personnel informed of the Equal Opportunity in Off-Base Housing Program requirements before obtaining housing off base?

B. Is there an effective information program ensuring equal opportunity in off-base housing information program?

[2] See footnote 1 to § 192.4.

[3] See footnote 1 to § 192.4.

C. Are community resources being used to support the equal opportunity in off-base housing information program?

D. Are housing discrimination complaints being processed within the required time?

E. Are complainants being informed in writing of the results of housing discrimination inquiry and/or investigating actions?

F. Are housing surveys being conducted periodically to obtain new listings?

G. Are restrictive sanctions being imposed immediately for a minimum of 180 days on agents found to be practicing discrimination?

H. Are the services of command representatives provided to assist applicants in their search for housing?

I. Are HHS personnel and equal opportunity personnel aware of and sensitive to housing problems encountered by DoD personnel?

J. Are equal opportunity in off-base housing reports being submitted accurately and on time?

APPENDIX B TO PART 192—PROCEDURES AND REPORTS

A. Off-Base Housing Procedures

DoD personnel seeking off-base housing shall be processed as follows:

1. Seen by an HRS when available (optional for DoD civilian personnel).

2. Provided assistance in seeking temporary and permanent off-base housing, as follows:

a. Counseling on the equal opportunity in off-base housing program with particular emphasis placed on reporting any indication of discrimination against DoD personnel in their search for housing.

b. Counseling and personal assistance shall include the following services:

(1) Offering to check by telephone the availability of selected listings. A record shall be made and retained for future reference of the date, time, and nature of any conversation confirming the availability of a facility. The race, color, religion, sex, national origin, handicap, or familial status of the applicant shall not be divulged. Caution must be exercised to ensure that a pattern of ''confirmation only for minorities'' does not develop.

(2) Offering the services of a command representative (such as a unit sponsor or other designated person, when available) to accompany and assist the applicant in the search for housing.

(3) Explaining various discriminatory methods that may be employed by agents. For instance, an agent may arbitrarily refuse to accept or consider the applicant as a tenant, falsely indicate the unit sought has been rented to another applicant, or refuse to make the unit available under the same terms and conditions as are ordinarily applied to applicants for the facilities. In such instances the following shall apply:

(a) The agent shall be queried on the reasons why the unit is not available. After all reasonable steps have been taken to ascertain whether any valid nondiscriminatory reason can be shown for the agent's rejection of the applicant, and if there appears to be no such reason, a reasonable effort shall be made to persuade the agent to make the unit available to the applicant.

(b) The incident shall be reported immediately by the command representative and the applicant to the HRS for appropriate command action.

B. Complaint Procedures—United States

Commanders shall ensure that all DoD personnel are informed of the scope and provisions of the DoD Equal Opportunity in Off-Base Housing Program and advised to report immediately to the HRS (when available) any form of discrimination encountered when seeking housing within a Civilian Community. Incidents should be reported to base agencies or command representatives when an HRS is not available (i.e., equal opportunity officer, unit commander, supervisor). A verbal or written statement of discriminatory policy by an agent is considered to be an act or incident of discrimination, and the investigative procedures outlined in this appendix shall be followed.

1. *Inquiry into Complaint.* Complaints of off-base housing discrimination must receive prompt attention. An inquiry into the complaint shall begin within 3 working days after receipt of the complaint. The inquiry may be informal, but must be detailed sufficiently to determine if discrimination occurred. Upon receipt of a discrimination complaint, the HRS (if there is no HRS, a command designated representative) shall take the following action:

a. Immediately notify the commander.

b. Promptly interview the complainant to determine the details and circumstances of the alleged discriminatory act.

c. Immediately telephone or visit the facility and/or agent concerned, if the complaint is received shortly after the time of the alleged act and it concerns the change in availability of a vacancy (i.e., ''just rented,'' etc.). Attempt to determine if a vacancy exists without making reference to the complaint received. Request the commander to authorize the use of verifiers, as necessary. (See this appendix, subsection B.2.)

d. Advise the complainant of the provisions and procedures in this Instruction and of the right to pursue further actions through HUD, DoJ, and local or State agencies. Coordinate efforts with the Office of Judge Advocate or other cognizant legal counsel to determine

to what extent legal assistance can be provided to the complainant. Assist the complainant in completing seven signed, dated, and notarized copies of HUD Form 903, ''Housing Discrimination Complaint.'' The fact that a complainant might report an act of alleged discriminatory treatment, but declines completing a HUD Form 903, does not relieve the command of responsibility for making further inquiry and taking such subsequent actions, as may be appropriate.

e. Document the complainant's action for future reference and inform the commander of the results of the HRS preliminary inquiry and actions taken. The commander shall take action to assist the complainant in obtaining suitable housing. If, due to previous discriminatory practices in the community, suitable housing cannot be obtained by the complainant in a reasonable amount of time, the complainant and the commander may use this fact to justify a request for priority in obtaining military housing or for humanitarian reassignment. Reassignment action is a last resort and must be justified fully through command personnel channels.

2. *Use of Verifiers.* Verifiers are authorized to determine if a vacancy exists and whether or not rental or such practices are discriminatory. Verifiers shall not be used only for determining sincerity or normal practices of an agent about whom the HRS has not received a housing discrimination complaint.

a. When selecting and using verifiers, the following applies:

(1) Verification of the vacancy shall be made expediently after alleged act of discrimination.

(2) Verifiers may be volunteers. (The equal opportunity office is a possible source for identifying individuals to be used as verifiers.)

(3) The purpose of verification is to isolate the attribute of race, color, religion, sex, national origin, age, handicap, or familial status that is the suspected basis for the alleged discrimination against the complainant. Except for those attributes that are considered to be the source of the discrimination complaint, the verifier should possess attributes that are similar to the complainant. If two verifiers are used, one may possess similar attributes to the complainant. Ideally, two verifiers should be used.

b. Instructions provided to the verifiers by HRS personnel should include the following:

(1) Explanation of the equal opportunity in off-base housing and off-base housing referral programs.

(2) Verifiers are to obtain information only on agent and/or facility operating policies, practices, and procedures for subsequent determination of complaint validity.

(3) Verifiers are not to make a verbal or written contract for the housing unit, pay any money, or say they want the housing unit.

(4) Verifiers shall be knowledgeable concerning family composition, pets, and housing requirements of the complainant; they shall ask for identical housing requirements.

(5) The following information shall be obtained by the verifier, if possible:

(a) *Concerning the Facility.* What is available? Does it meet the requirements of the complainant? Amount of rent or cost of facility? Deposit required? Is an application required? What is the time between filing an application and permission to move in? Are there minority families and/or singles in the facility? Make a note of the presence or absence of a vacancy sign, and any other information deemed appropriate.

(b) *Concerning the Prospective Tenants/Purchasers.* If possible, ascertain criteria and qualifications that must be met (credit rating, salary, marital status, deposit, written application, etc.) and obtain a complete description of all procedures for becoming a tenant/purchaser including all steps from initial inquiry to moving in. Does the agent's subjective impression of the applicant appear to play any part in the decision to rent the unit?

(6) The verifier's statement shall be completed immediately after the verification visit, if possible. It shall be accurate, objective, and factual. Include the following in the statement:

(a) Date, time of visit, persons contacted, positions of persons contacted. Include any other pertinent information obtained during visit; i.e., length of time employed at facility, in addition to the information in this appendix, subparagraph B.2.b.(5), above.

(b) When reconstructing a conversation, write in the first person and try to use direct quotes. Do not use pronouns such as ''he,'' ''she,'' or ''they.'' Clearly identify who said what to whom.

(c) Sign and date statement. Give full name, address, telephone number (duty or home), race, color, religion, sex, national origin, age, handicap or familial status, as relevant to the complaint.

3. *Complaint Process.* If the basic facts of the HRS preliminary inquiry appear to substantiate the complaint, the commander shall ensure that the following actions begin within 3 working days of receipt of the inquiry report:

a. *Informal Hearing.* Give written notice to the agent explaining the nature of the complaint and the agent's right to request an informal hearing with the commander. The notification shall state specifically the nature of the discrimination complaint and the right of the agent to appear personally at the hearing, to be represented by an attorney, to present evidence, and to call witnesses. The notification also shall state that the agent has 5 days after receipt of the written notice to request a hearing. If no request

is received within 5 days, the lack of response shall be considered as a waiver of the right to such hearing. The written notification either shall be delivered to the agent personally by a representative of the commander, or shall be sent to the agent by certified mail with return receipt requested.

(1) *Composition of an Informal Hearing.* The informal hearing shall be conducted by the commander or designee at a convenient location. The agent, agent's attorney, the complainant, the complainant's attorney, the equal opportunity officer, the HRS, the Staff Judge Advocate or other cognizant legal counsel, or other designated persons may attend.

(2) *Record of Hearing.* A summary of the hearing shall be made a part of the complaint file.

b. *Legal Review*. A legal review shall be accomplished following the inquiry and informal hearing (if applicable) and before the commander's final decision that the inquiry supports or fails to support the complaint. The summary and other pertinent documents shall be reviewed for content and completeness. A statement that such a review was conducted and signed by the Staff Judge Advocate or other cognizant legal counsel performing the review shall be made a part of the case file. That statement shall include:

(1) Any necessary explanatory remarks, including comments on the facts and evidence presented.

(2) Information known about pending complaints brought by other parties on the same facility and/or agent.

(3) Comments on the civil rights laws relevant to the particular case.

4. *Commander's Decision*. The responsibility for imposition of restrictive sanctions rests with the commander and cannot be delegated. The commander's decision shall be based on a full and impartial review of all facts and the policies and requirements as stated in this part. The commander's options include the following:

a. If the commander determines that more information is required, or for any reason further inquiry is deemed necessary, an officer shall be appointed from sources other than the HRS to conduct a formal inquiry or investigation, as the situation warrants. The officer, if not an attorney, shall be afforded the advice and assistance of a Staff Judge Advocate or other cognizant legal counsel.

b. If, in the commander's judgment, the inquiry or investigation fails to support the complaint the case shall be considered closed and the commander shall:

(1) Inform the complainant in writing of all actions taken and advise the complainant of rights to pursue further actions to include the following:

(a) The right to submit a complaint to the HUD and the DoJ.

(b) The right to bring a private civil action in a State or Federal court of competent jurisdiction.

(c) The availability of legal assistance from their local Staff Judge Advocate or other cognizant legal counsel in pursuing civil redress.

(2) Summarize in the report file the practices giving rise to the complaint, the actions and results of the inquiry or investigation, and if discriminatory practices were found, written assurances from the agent on future facility and/or agent practices. The following statement, completed by the complainant, shall be included, as part of the case file: ''I am (am not) satisfied with the efforts taken by the commander on my behalf to achieve satisfactory resolution of my off-base housing discrimination complaint.'' If the complainant indicates a lack of satisfaction, the reasons must be included in the case file.

(3) Inform the agent of the results of the inquiry by command correspondence if an informal hearing was held. Such correspondence should reiterate DoD policy and requirements for equal opportunity in off-base housing.

(4) Forward unsubstantiated complaint reports and HUD Form 903 to the HUD and the DoJ if requested by the complainant.

(5) Retain a copy of the report file for 2 years for future reference.

c. If the inquiry or investigation supports the complainant's charge of discrimination and the discriminatory act is determined by the commander to conflict with DoD policy, the commander shall:

(1) Impose restrictive sanctions against the agent and/or facility for a minimum of 180 days. Sanctions shall remain in effect until the requirements in this appendix, subparagraphs B.6.a.(1) or B.6.a.(2), below, are met. Restrictive sanctions shall be imposed when a suspected discriminatory act, despite the absence of a formal complaint, is investigated and found valid. The fact that a validated discrimination complaint and/or incident has been or is scheduled to be forwarded to another Agency (the HUD, the DoJ, etc.) is not cause for withholding sanction action pending the outcome of that Agency's further review or investigation. When imposing a restrictive sanction, the commander shall:

(a) Remove the facility listing(s) from HRO files.

(b) Impose restrictive sanctions against all facilities owned or operated by the agent concerned.

(c) Place the facility on the restrictive sanction list maintained by the HRS. The restrictive sanction list shall be prepared on official letterhead stationery, signed by the commander, and include the authority for and conditions of the restrictive sanctions.

(d) Inform the agent concerned by command correspondence that:

(1) Restrictive sanctions have been imposed.

(2) The reasons, nature, and minimum duration of the restrictions.

(3) The action required for the removal of sanctions at the conclusion of the minimum period.

The notification of restrictive sanctions shall be sent by certified mail, return receipt requested or delivered to the agent personally by a command representative.

(e) Provide all DoD personnel reporting to the HRS with a copy of the restrictive sanction list, and advise members of the Armed Forces that they may not rent, lease, purchase, or reside in any of the listed facilities. Obtain a signed acknowledgment of receipt of the restrictive sanction list from the HRS using a DD Form 1746, ''Application for Assignment to Housing.''

(f) Advise other military installations of the restrictive sanction action taken when the sanctioned facility is located within the commuting area of their military installations.

(2) Inform the complainant in writing of all actions taken and advise the complainant that his or her case will receive continuing action to include, if the complainant requests, forwarding the case file to the HUD and/or the DoJ for action.

(3) Before forwarding the report to the respective Military Department, prepare a memorandum outlining the following:

(a) The base efforts made to obtain housing relief for the complainant.

(b) The impact of restrictive sanctions on the off-base housing program and DoD personnel and their dependents.

(c) Any other considerations deemed relevant.

(4) Include a statement completed by the complainant for the case file. (See this appendix, subparagraph B.4.b.(3), above.)

(5) If the act of discrimination falls within existing regulations, forward a copy of the complaint and investigation report directly to the HUD within 180 days after the occurrence of the alleged discriminating act, using HUD Form 903. The original report shall be sent to the appropriate HUD Regional Office or the U.S. Department of Housing and Urban Development Office of Fair Housing and Equal Opportunity, 451 7th Street SW., Washington, DC 20410. A copy of the complaint and investigation report shall be forwarded to the Civil Rights Division, Department of Justice, Washington, DC 20530.

(6) When more than one complaint alleging discrimination in the same facility or by the same agent has been received, consolidate the complaints for the inquiry, legal review, and commander's memorandum.

d. When a commander receives a complaint alleging further discrimination in a facility or by an agent after a completed case file has been closed, the commander shall forward the summary of the facts on the subsequent complaint, outlined in this enclosure, subparagraph B.4.c.(6), above. Include brief comments indicating the extent to which the new complaint affects the previous action.

5. *Followup Actions.* After forwarding the report and all required attachments to the HUD and the DoJ, the commander shall take the following actions:

a. Cooperate with the HUD, the DoJ, and the local and State agency representatives during their investigation and processing of the case, should those entities seek assistance.

b. Periodically determine the status of the case by maintaining liaison with the HUD office concerned. Contact shall be maintained until such time as the case is resolved by the HUD.

c. Ensure that the complainant is kept informed directly by the HUD and/or the DoJ.

d. Ensure that DoD personnel comply with the restrictive sanctions imposed on the facility and/or the agent. Housing personnel will comply with the following:

(1) Military personnel moving into or changing their place of residence in the commuting area of a military installation or activity may not enter into a rental, purchase, or lease arrangement with an agent or a facility that is under restrictive sanction.

(2) Implement procedures for ensuring that DoD personnel seeking housing are made aware of, and are counselled on, current restrictive sanctions.

(3) Sanctions are not applicable to the DoD personnel who may be residing in a facility when the sanction is imposed or to the extension or renewal of a rental or lease agreement originally entered into before the imposition of the sanction. Relocation of a military tenant within a restricted facility is prohibited without the written approval of the commander.

(4) If it is determined that a member of the Armed Forces has intentionally taken residency in a restricted facility contrary to instructions received by Housing Referal personnel, the commander shall take appropriate disciplinary action against that number.

(5) Periodically publish a current listing of restricted facilities in the base bulletin (or other appropriate means of internal distribution). Minimally, such publication shall occur when there has been an addition or deletion to the list.

6. *Removal of Restrictive Sanction*

a. A facility and/or agent may be removed from restrictive sanction only if one of the following actions is taken:

(1) The restrictive sanction may be removed before completion of the 180 day restrictive period if an approved waiver request is obtained from the senior installation commander concerned, or designee. Consideration shall be given to lifting an imposed sanction only in exceptional circumstances and in conjunction with a written assurance of nondiscrimination from the agent concerned.

(2) After completion of 180 days on restrictive sanction, if the agent provides written assurance of future nondiscrimination to the HRS.

b. The commander shall inform the HRS, the equal opportunity office, and the agent in writing of the removal from restrictive sanction.

7. *''Privacy Act'' and ''Freedom of Information Act'' Inquiries.* Requests for information from reports of housing discrimination shall be processed in accordance with 32 CFR parts 285 and 286a.

C. Compliant Procedures—Outside the United States

Commanders of installations or activities outside the United States shall ensure that all DoD personnel, on reporting to the HRS, are clearly informed of the scope and provisions of the DoD Equal Opportunity in Off-Base Housing Program and advised to report immediately to the HRS any form of discrimination encountered as a tenant, prospective tenant, or purchaser. Incidents reported to base agencies or representatives other than the HRS (i.e., equal opportunity officer, unit commander, supervisor) shall be brought to the immediate attention of the HRS for appropriate action. On receiving a complaint of discrimination, the commander and HRS shall:

1. Consult with the Staff Judge Advocate or other cognizant legal counsel to determine if the laws of the country concerned (or any subdivision thereof) prohibit any of the actions outlined in this appendix, section B., above.

2. Take actions outlined in this appendix, section B, above, except that a HUD Form 903 shall not be completed because reports of cases arising outside the United States are not forwarded to the HUD or the DoJ. Complainants should understand that the fair housing provisions of the P.L. 90–284, ''Civil Rights Act,'' Title 42, United States, 1982, and Public Law 100–430, ''Fair Housing Amendments Act of 1988,'' September 13, 1988, are not applicable in areas outside the United States.

3. Determine, with legal advice, whether redress for the discriminatory act should be sought from authorities in the host country. Redress shall be based on the laws of the country (or subdivision thereof) concerned.

D. Reporting Requirements

1. A copy of each complaint and investigative report that substantiates a housing discrimination shall be submitted to the appropriate Military Department (manpower and reserve affairs and/or the equal opportunity office) not later than 45 days from the date the case is completed. Under normal circumstances, the commander of the installation concerned shall complete the required investigation and processing complaints within 45 days from the date that a housing complaint is filed by a complainant.

2. A copy of complaint and investigative reports that do not substantiate allegations of housing discrimination shall be kept on file at the installation level for a 24-month period beginning from the date the case was completed.

PART 193—HIGHWAYS FOR NATIONAL DEFENSE

Sec.
193.1 Purpose and scope.
193.2 Applicability.
193.3 Policy.
193.4 Authorities and responsibilities.

AUTHORITY: 5 U.S.C. 301.

SOURCE: 33 FR 13016, Sept. 14, 1968, unless otherwise noted.

§ 193.1 Purpose and scope.

This part sets forth policy, responsibilities, and authority in matters pertaining to Department of Defense highway needs and, when appropriate, to the highway needs of other Federal agencies, during peacetime and emergencies in the United States and its territories and possessions.

§ 193.2 Applicability.

The provisions of this part apply to all components of the Deparment of Defense.

§ 193.3 Policy.

In order to insure that the national defense is served by adequate, safe and efficient highway transportation, it shall be the policy of the DoD to (a) integrate the highway needs of the national defense into the civil highway programs of the various State and Federal agencies, and (b) cooperate with those agencies in matters pertaining to the use of public highways and in planning their development and construction.

§193.4 Authorities and responsibilities.

(a) The Secretary of the Army, as the Single Manager for Military Traffic, Land Transportation, and Common-User Ocean Terminals (see DoD Directive 5160.53, Single Manager Assignment for Military Traffic, Land Transportation, and Common-User Ocean Terminals, March 24, 1967 (32 FR 5295)), is hereby designated as the Executive Agent for the Department of Defense (hereinafter referred to as the Executive Agent), in matters pertaining to public highways to serve the national defense in meeting both peacetime and mobilization highway transportation needs in the United States, its territories and possessions; and highway needs of other Federal agencies, when appropriate. The Executive Agent, or his designee, under the policy guidance of the Assistant Secretary of Defense (Installations and Logistics), will:

(1) Coordinate the defense transportation interest in public highways, including the implementation of subsection (h), section 210 of Title 23 U.S. Code, and integrate foreseen DoD highway needs and operational requirements into the highway programs of the United States, its territories and possessions.

(2) Review and analyze DoD access road needs, and, when appropriate, those of other Federal agencies from the standpoint of approved transportation engineering practices, statutory provisions, and policies and procedures of the Bureau of Public Roads, Department of Transportation.

(3) Represent the DoD in matters pertaining to highways to serve the national defense in liaison with the Bureau of Public Roads, the American Association of State Highway Officials, and other appropriate Government and non-Government agencies.

(4) Certify on behalf of the Secretary of Defense to the appropriate Government agency, the public highway needs of the DoD and, when appropriate, the needs of other Federal agencies, as being important to the national defense. (See section 210, Title 23, U.S. Code.)

(5) Advise and assist the Assistant Secretary of Defense (Comptroller) in matters pertaining to the (i) preparation and justification of budget requirements for defense access road needs, and (ii) transfer of funds appropriated for this purpose to the Bureau of Public Roads.

(6) Develop and maintain an efficient relationship between the design of military vehicles and State and Federal standards for the design of public highways to ensure the effective and efficient utilization of such highways by military vehicles.

(7) Provide highway traffic engineering services to DoD components, when requested.

(8) Insure effective cooperation between the Department of Defense and state highway authorities in matters pertaining to special defense utilization of public highways.

(b) The other DoD Components will:

(1) Maintain official liaison with the Executive Agent in matters pertaining to the provision of public highways to serve the national defense and the access road needs of new or expanded DoD installations and activities.

(2) Furnish the Executive Agent with information and data on current and potential access-road and highway-system needs on request.

(c) The Secretaries of the Military Departments, or their designees, are authorized to act for the Secretary of Defense under the provisions of subsection (h) of section 210, Title 23, U.S. Code, in determining, in connection with the funding of contracts for the construction of classified military installations and facilities for ballistic missiles, that construction estimates and the bids of contractors did not include allowances for repairing road damages.

(d) The Secretaries of the Military Departments and the Directors of DoD Agencies will program, budget, and finance for the responsibilities assigned by this part and their access road requirements (see Pub. L. 90–180, Military Construction Appropriation Act, fiscal year 1968, and successor statutes) in accordance with applicable program and financial guidelines and procedures.

PART 194—INTERNATIONAL CO-PRODUCTION PROJECTS AND AGREEMENTS BETWEEN THE UNITED STATES AND OTHER COUNTRIES OR INTERNATIONAL ORGANIZATIONS

Sec.
194.1 Purpose.
194.2 Applicability and scope.
194.3 Concept.
194.4 Objectives and policies.
194.5 Responsibilities and procedures.
194.6 Security.
194.7 Reports required.
194.8 Effective date and implementation.

AUTHORITY: 5 U.S.C. 301.

SOURCE: 33 FR 13016, Sept. 14, 1968, unless otherwise noted.

§ 194.1 Purpose.

This part supplements the international logistics policies established in DoD Directive 5100.27, Delineation of International Logistic Responsibilities, December 29, 1964;[1] DoD Directive 5132.3 (28 FR 7611); DoD Instruction 2000.8, Cooperative Logistic Support Arrangements, February 14, 1964;[1] part 258 of this subchapter; DoD Instruction 2015.4, Mutual Weapons Development Data Exchange Program and Defense Development Exchange Program, November 5, 1963;[1] DoD Directive 2100.3, ''U.S. Policy Relative to Commitments to Foreign Governments Under Foreign Assistance Programs, July 11, 1963.[1] Its purpose is to prescribe general policies and principles governing international co-production projects negotiated under agreements between the U.S. Government and eligible foreign governments, international organizations, foreign producers, or other approved agencies. Policy guidance pertaining to the general areas of the Military Assistance Program (MAP), Foreign Military Sales (FMS), and international Cooperative Logistics Support Arrangements (CLSA) is not affected by this part.

§ 194.2 Applicability and scope.

The provisions of this part are applicable to those offices responsible for negotiation, implementation, monitorship and financial and management control of the co-production projects within OSD, DSA, and the Departments of the Army, Navy, and Air Force.

§ 194.3 Concept.

(a) The term *co-production* as used herein encompasses any program wherein the U.S. Government, under the aegis of an international diplomatic level or Ministry of Defense-to-Department of Defense agreement, either directly through the FMS program, or indirectly through specific licensing arrangements by designated commercial firms, enables an eligible foreign government, international organization or designated commercial producer to acquire the ''know-how'' to manufacture or assemble, repair, maintain and operate, in whole or in part, a specific weapon, communication or support system, or an individual military item. The ''know-how'' furnished may include research, development production data and/or manufacturing machinery or tools, raw or finished materiel, components or major subassemblies, managerial skills, procurement assistance or quality-control procedures. Third country sales limitations and licensing agreements are also included as required.

(b) Co-production may be limited to the assembly of a few end-items with a small input of local country parts, or it may extend to a major manufacturing effort requiring the build-up of capital industries.

§ 194.4 Objectives and policies.

(a) The major objectives to be attained through co-production projects are to:

(1) Enable eligible countries to improve military readiness through expansion of their technical and military support capability.

(2) Promote United States-Allied standardization of military materiel and equipment, which, in turn, would generate the establishment of uniform logistics support, procedures and expanded multinational operational capabilities.

(b) Co-production programs directly benefit the United States through:

[1] Copies available from Naval Supply Depot, 5801 Tabor Avenue, Philadelphia, Pa. 19120, Attention: Code 300.

(1) Creating in-country compatability with the U.S. standardized equipment, thereby creating Allied capability of supporting deployment of U.S. forces.

(2) Promoting the standardization of materiel or equipment to integrate and strengthen international military operations in times of emergency or hostilities.

(3) Encouraging multinational acceptance of strategic and tactical concepts and doctrine through the utilization of common military materiel.

(4) Encouraging the creation of complementary forces in Allied countries.

(5) Establishing or broadening the base for common and interchangeable logistics among free or Allied nations.

(6) Serving to improve procurement, production, contract administration and mutual support capability of friendly Allied nations.

(c) Co-production is considered to be an important component of the U.S. military foreign sales program and, as such, represents an essential element of U.S. foreign policy. Accordingly, it is DoD policy that initiation of co-production project agreements will be encouraged and supported by all elements of DoD under the following circumstances. When they:

(1) Advance the objectives outlined in paragraphs (a) and (b) of this section.

(2) Supplement and reinforce the U.S. FMS program.

(3) Are in the best interest of the United States.

§194.5 Responsibilities and procedures.

(a) Co-production projects may be initiated by ASD(ISA) or, subject to prior ASD(ISA) approval, by the Military Departments; the Military Assistance Advisory Groups; and by authorized representatives of foreign governments and international organizations.

(1) The cognizant DoD component will ensure appropriate coordination with ASD(ISA) and furnish technical and negotiating assistance as required.

(2) After the agreement is signed, the appropriate DoD component will perform necessary managerial and reporting functions.

(b) In conformance with responsibilities assigned in DoD Directive 5100.27.

(1) The Assistant Secretary of Defense (International Security Affairs) will:

(i) Develop and coordinate DoD positions for the negotiation of co-production agreements with foreign governments and international organizations; and

(ii) Either conduct negotiations for specific agreements, or delegate this responsibility to an appropriate DoD component.

(2) The Assistant Secretary of Defense (Installations and Logistics) will:

(i) Assure during coordination of formal agreements, that the materiel to be committed under the co-production project will not adversely affect the U.S. defense supply or production base, or further limit critical materiel; that consideration had been given to the future logistical support of the equipment to be produced; and

(ii) Monitor and act as OSD coordinator for implementation of co-production projects under formal agreements, in coordination with other elements of the Office of the Secretary of Defense, as required.

(3) The Office of the General Counsel of the Department of Defense will assure necessary legal clearance, as required, prior to formalization of co-production project agreements.

(4) The Assistant Secretary of Defense (Comptroller) will assist the ASD(ISA) and the ASD(I&L) during coordination, as required, of formal co-production agreements by providing necessary DoD representation and financial guidance with respect to pricing policies for U.S. military services and equipment, cost sharing, and reporting requirements under co-production agreements as they relate to international balance of payments.

(5) Other OSD organizational elements will assist ASD(I&L), as required, in assuring that the terms and conditions of co-production project agreements are met.

§194.6 Security.

(a) Classified information and materials will be treated as exchanges between those governments involved and will be safeguarded by each government in accordance with existing agreements.

(b) In addition to adherence to existing security agreements, a security annex or clause will be developed as a part of the co-production agreement which will cover all security factors involved.

§ 194.7 Reports required.

(a) A short narrative type report will be submitted to ASD(I&L) by the cognizant DoD component on a quarterly basis covering all formalized co-production projects and agreements including pending agreements with a high potential of being finalized within the next three (3) quarters. The report will briefly state project, project officer, background highlights, current production and status including anticipated and approximate monetary return to the United States, current problem areas (if any) and future major events or milestones. This reporting requirement has been assigned Report Control Symbol DD–I&L (Q)834.

(b) This report will be submitted in triplicate to OASD(I&L) by the close of the last working day of the month following the close of the quarter. The first report under this part will cover the quarter ending March 31, 1968, and be due April 30, 1968. In addition, copies will be forwarded to the appropriate Unified Commands and MAAG's of the countries involved. Further distribution may be prescribed by the Military Department concerned.

§ 194.8 Effective date and implementation.

This part is effective immediately and encompasses all co-production agreements in effect or pending on the date of this part, and such agreements consummated subsequently.

PART 195—NONDISCRIMINATION IN FEDERALLY ASSISTED PROGRAMS OF THE DEPARTMENT OF DEFENSE—EFFECTUATION OF TITLE VI OF THE CIVIL RIGHTS ACT OF 1964

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APPENDIX A TO PART 195—PROGRAMS TO WHICH THIS PART APPLIES

AUTHORITY: Sec. 602, 78 Stat. 252; 42 U.S.C. 2000d–1; and the laws referred to in appendix A.

SOURCE: 29 FR 19291, Dec. 31, 1964, unless otherwise noted. Redesignated at 56 FR 32965, July 18, 1991.

§ 195.1 Purpose.

The purpose of this part is to effectuate the provisions of Title VI of the Civil Rights Act of 1964 (referred to in this part 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 or activity receiving Federal financial assistance from any component of the Department of Defense.

§ 195.2 Definitions.

(a) *Component* means the Office of the Secretary of Defense, a military department or a Defense agency.

(b) *Responsible Department official* means the Secretary of Defense or other official of the Department of Defense or component thereof who by law or by delegation has the principal responsibility within the Department or component for the administration of the law extending such assistance.

(c) The term *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 any one of the foregoing.

(d) The term *Federal financial assistance* includes:

(1) Grants and loans of Federal funds,

(2) The grant or donation of Federal property and interests in property,

(3) The detail of Federal personnel,

(4) The sale and lease of, and the permission to use (on other than a casual or transient basis), Federal property or any interest in such property 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 the recipient, and

(5) Any Federal agreement, arrangement, or other contract which has as one of its purposes the provision of assistance.

(e) The term *program* includes any program, project, or activity for the provision of services, financial aid, or other benefits to individuals, or for the provision of facilities for furnishing services, financial aid or other benefits to individuals. The services, financial aid, or other benefits provided under a program receiving Federal financial assistance shall be deemed to include any services, financial aid, or other benefits provided with the aid of Federal financial assistance or with the aid of any non-Federal funds, property, or other resources required to be expended or made available for the program to meet matching requirements or other conditions which must be met in order to receive the Federal financial assistance, and to include any services, financial aid, or other benefits provided in or through a facility provided with the aid of Federal financial assistance or such non-Federal resources.

(f) The term *facility* includes all or any portion of structures, equipment, or other real or personal property or interests therein, and the provision of facilities includes the construction, expansion, renovation, remodeling, alteration or acquisition of facilities.

(g) The term *recipient* means any State, political subdivision of any State, or instrumentality of any State or political subdivision, any public or private agency, institution, or organization, or other entity, or any individual, in any State, to whom Federal financial assistance is extended, directly or through another recipient, for any program, including any successor, assign, or transferee thereof, but such term does not include any ultimate beneficiary under any such program.

(h) The term *primary recipient* means any recipient which is authorized or required to extend Federal financial assistance to another recipient for the purpose of carrying out a program.

(i) The term *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 the term ''application'' means such an application, request or plan.

§195.3 Application.

This part applies to any program for which Federal financial assistance is authorized under a law administered by any component of the Department of Defense, including the federally assisted programs and activities listed in appendix A of this part. This directive applies to money paid, property transferred, or other Federal financial assistance extended under any such program after January 7, 1965 pursuant to an application approved prior to such date. This directive does not apply to: (a) Any Federal financial assistance by way of insurance guaranty contracts, (b) money paid, property transferred, or other assistance extended under any such program before January 7, 1965, (c) any assistance to any individual who is the ultimate beneficiary under any such program, or (d) any employment practice, under any such program, of any employer, employment agency, or labor organization, except as noted in §195.4(b)(5) of this part. The fact that a program or activity 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 this list by notice published in the FEDERAL REGISTER.

[29 FR 19291, Dec. 31, 1964, as amended at 38 FR 17959, July 5, 1973. Redesignated and amended at 56 FR 32965, July 18, 1991]

§195.4 Policy.

(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 actions prohibited.* (1) A recipient under any program to which this part applies may not, directly or through contractual or other arrangements, on the ground of race, color, or national origin:

(i) Deny an individual any service, financial aid, or other benefit provided under the program;

(ii) Provide any service, financial aid, or other benefit to an individual which is different, or is provided in a different manner, from that provided to others under the program;

(iii) In determining the site or location of facilities, a recipient may not make selections with the purpose of excluding individuals from, denying them the benefits of, or subjecting them to discrimination under any program to which this part applies, on the ground 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.

(iv) Subject an individual to segregation or separate treatment in any matter related to his receipt of any service, financial aid, or other benefit under the program;

(v) Restrict an individual in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service, financial aid, or other benefit under the program;

(vi) Treat an individual differently from others in determining whether he satisfies any admission, enrollment, quota, eligibility, membership or other requirement or condition which individuals must meet in order to be provided any service, financial aid, or other benefit provided under the program;

(vii) Deny an individual an opportunity to participate in the program through the provision of services or otherwise or afford him an opportunity to do so which is different from that afforded others under the program;

(viii) Deny 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, 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 individuals 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 individuals to be afforded an opportunity to participate in any such program, may not, directly or through contractual or other arrangements, utilize criteria or methods of administration which have the effect of subjecting individuals 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 individuals of a particular race, color, or national origin.

(3) 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 in or through a facility provided with the aid of Federal financial assistance.

(4)(i) In administering a program regarding which the recipient has previously discriminated against persons on the ground 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.

(5) Where a primary objective of the Federal financial assistance is not to provide employment, but nevertheless discrimination on the grounds of race, color or national origin in the employment practices of the recipient or other persons subject to this Directive tends, on the grounds of race, color, or national origin of the intended beneficiaries, to exclude intended beneficiaries from participation in, to deny them benefits of, or to subject them to discrimination under any program to which this Directive applies, the recipient or other persons subject to this Directive are prohibited from (directly or

through contractual or other arrangements) subjecting an individual to discrimination on the grounds of race, color, or national origin in its employment practices under such program (including recruitment or recruitment advertising; employment, layoff or termination; upgrading, demotion or transfer; rates of pay and/or other forms of compensation; and use of facilities), to the extent necessary to assure equality of opportunity to, and nondiscriminatory treatment of the beneficiaries. Any action taken by a component pursuant to this provision with respect to a state or local agency subject to Standards for a Merit System of Personnel Administration, 45 CFR part 70, shall be consistent with those standards and shall be coordinated with the U.S. Civil Service Commission.

(6) The enumeration of specific forms of prohibited discrimination in this section does not limit the generality of the prohibition in paragraph (a) of this section.

[29 FR 19291, Dec. 31, 1964, as amended at 38 FR 17959, July 5, 1973]

§195.5 Responsibilities.

(a) The Assistant Secretary of Defense (Manpower) shall be responsible for insuring that the policies of this part are effectuated throughout the Department of Defense. He may review from time to time as he deems necessary the implementation of these policies by the components of the Department of Defense.

(b) The Secretary of each Military Department is responsible for implementing this part with respect to programs and activities receiving financial assistance from his Military Department; and the Assistant Secretary of Defense (Manpower) is responsible for similarly implementing this part with respect to all other components of the Department of Defense. Each may designate official(s) to fulfill this responsibility in accordance with §195.2(b).

(c) The Assistant Secretary of Defense (Manpower) or, after consultation with the Assistant Secretary of Defense (Manpower), the Secretary of each Military Department or other responsible Department official designated by the Assistant Secretary of Defense (Manpower) may assign 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 §195.11), 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.

[29 FR 19291, Dec. 31, 1964. Redesignated and amended at 56 FR 32965, July 18, 1991]

§195.6 Assurances required.

(a) *General.* (1)(i) Every application for Federal financial assistance to carry out a program to which this part applies, except a program to which paragraph (b) of this section applies, and every application for Federal financial assistance to provide a facility shall, as a condition to its approval and the extension of any Federal financial assistance pursuant to the application, contain or be accompanied by an assurance that the program will be conducted or the facility operated in compliance with all requirements imposed by or pursuant to this part.

(ii) In the case where the Federal financial assistance is to provide or is in the form of personal property, or real property or interest therein or structures thereon, the assurance shall obligate the recipient, or, in the case of a subsequent transfer, the transferee, for the period during which the property or structures are 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 retains ownership or possession of the property, whichever is longer. In all other cases the assurance shall obligate the recipient for the period during which Federal financial assistance is extended pursuant to the application. In any case in which Federal financial assistance is extended without an application having been made, such extension shall be subject to the same assurances as if an application had been made. The responsible

Department official shall specify the form of the foregoing assurances for each program, and the extent to which like assurances will be required of subguarantees, contractors and subcontractors, transferees, successors in interest, and other participants in the program. Any such assurance shall include provisions which give the United States a right to seek its judicial enforcement.

(2) In the case of real property, structures or improvements thereon, or interest therein, which was acquired through a program of 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 under a program of 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 the event 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 purposes 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 forbear the exercise of such right to revert title for so long as the lien of such mortgage or other encumbrance remains effective. 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.

(3) The assurance required in the case of a transfer of surplus personal property shall be inserted in a written agreement by and between the Department of Defense component concerned and the recipient.

(b) *Continuing State programs.* Every application by a State agency to carry out a program involving continuing Federal financial assistance to which this part applies shall as a condition to its approval and the extension of any Federal financial assistance pursuant to the application (1) contain or be accompanied by a statement 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 (2) provide or be accompanied by provision for such methods of administration for the program as are found by the responsible Department official to give reasonable assurance that the applicant and all recipients of Federal financial assistance under such program will comply with all requirements imposed by or pursuant to this part. In cases of continuing State programs in which applications are not made, the extension of Federal financial assistance shall be subject to the same conditions under this subsection as if applications had been made.

(c) *Assurances from institutions.* (1) In the case of Federal financial assistance to an institution of higher education, the assurance required by this section shall extend to admission practices and to all other practices relating to the treatment of students.

(2) The assurance required with respect to an institution of higher education, or any other institution, insofar as the assurance relates to the institution's practices with respect to admission or other treatment of individuals as students of the institution or to the opportunity to participate in the provision of services or other benefits to such individuals, shall be applicable to the entire institution unless the applicant establishes, to the satisfaction of the responsible Department official, that the institution's practices in designated parts or programs of the institution will in no way affect its practices in the program of the institution for which Federal financial assistance is sought, or the beneficiaries of or participants in such program. If in any such case the assistance sought is for the construction of a facility or part of a facility, the assurance shall in any event extend to the entire facility and to facilities operated in connection therewith.

(d) *Elementary and secondary schools.* The requirement of paragraph (a), (b), or (c) of this section, with respect to any elementary or secondary school or school system shall be deemed to be satisfied if such school or school system (1) is subject to a final order of a court of the United States for the desegregation of such school or school system, and provides an assurance that it will comply with such order, including any future modification of such order, or (2) submits a plan for the desegregation of such school or school system which the responsible official of the Department of Health, Education, and Welfare determines is adequate to accomplish the purposes of the Act and this part, and provides reasonable assurance that it will carry out such plan; in any case of continuing Federal financial assistance the said Department officer may reserve the right to redetermine, after such period as may be specified by him, the adequacy of the plan to accomplish the purpose of the Act or this part within the earliest practicable time. In any case in which a final order of a court of the United States for the desegregation of such school or school system is entered after submission of such a plan, such plan shall be revised to conform to such final order, including any future modification of said order.

[29 FR 19291, Dec. 31, 1964, as amended at 38 FR 17960, July 5, 1973]

§195.7 Compliance information.

(a) *Cooperation and assistance.* Each responsible Department official shall to the fullest extent practicable seek the cooperation of recipients in obtaining compliance with this part and shall provide assistance and guidance to recipients to help them comply voluntarily with this part.

(b) *Compliance reports.* Each recipient 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 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, such other recipient shall also submit such compliance reports to the primary recipient as may be necessary to enable the primary recipient to carry out its obligations imposed pursuant to this part.

(c) *Access to sources of information.* Each recipient shall permit access by the responsible Department official during normal business hours to such of its books, records, accounts, and other sources of information, and its facilities as may be pertinent to ascertain compliance with this part. Where any information required of a recipient is in the exclusive possession of any other institution or person and this institution or person shall fail or refuse to furnish this information, the recipient shall so certify in its report and shall set forth what efforts it has made to obtain the information.

(d) *Information to beneficiaries and participants.* Each recipient shall make available to participants, beneficiaries, and other interested persons such information regarding the provisions of

this part and its applicability to the program under which the recipient receives Federal financial assistance, and make such information available to them in such manner, as the responsible Department official finds necessary to apprise such persons of the protections against discrimination assured them by the Act and this part.

[29 FR 19291, Dec. 31, 1964, as amended at 38 FR 17960, July 5, 1973]

§ 195.8 Conduct of investigations.

(a) *Periodic compliance reviews.* The responsible Department official or his designee(s) shall from time to time review the practices of recipients to determine whether they are complying with this part.

(b) *Complaints.* Any person who believes himself or any specific class of individuals 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 must 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.

(c) *Investigations.* The responsible Department official 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 should include, where appropriate, a review of the pertinent practices and policies of the recipient, the circumstances under which the possible noncompliance with this part occurred, and other factors relevant to a determination of whether the recipient has failed to comply with this part.

(d) *Resolution of matters.* (1) If an investigation pursuant to paragraph (c) of this section indicates a failure to comply with this part, the responsible Department official will so inform the recipient 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 in § 195.9.

(2) If an investigation does not warrant action pursuant to paragraph (d)(1) of this section, the responsible Department official will so inform the recipient and the complainant, if any, in writing.

(e) *Intimidatory or retaliatory acts prohibited.* No recipient or other person shall intimidate, threaten, coerce, or discriminate against any individual for the purpose of interfering with any right or privilege secured by section 601 of the Act or this part, or because he has made a complaint, testified, assisted, or participated in any manner in an investigation, proceeding, or hearing under this part. The identity of complainants shall not be disclosed except when necessary to carry out the purposes of this part including the conduct of any investigation, hearing, or judicial proceeding arising thereunder.

[29 FR 19291, Dec. 31, 1964, as amended at 38 FR 17960, July 5, 1974. Redesignated and amended at 56 FR 32965, July 18, 1991]

§ 195.9 Procedure 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, 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 as determined by the responsible Department official. 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 proceedings under State or local law.

(b) *Noncompliance with § 195.6.* If an applicant fails or refuses to furnish an assurance required under § 195.6 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 component of the Department of Defense concerned shall not be required to provide assistance in such a

case during the pendency of the administrative proceedings under such paragraph except that the component shall continue assistance during the pendency of such proceedings where such assistance is due and payable pursuant to an application therefor approved prior to the effective date of this part.

(c) *Termination of or refusal to grant or to continue Federal financial assistance.* Except as provided in paragraph (b) of this section 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 applicant or recipient of his failure to comply and has determined that compliance cannot be secured by voluntary means, (2) there has been an express finding, after opportunity for a hearing (as provided in §195.10), of a failure by the applicant or recipient to comply with a requirement imposed by or pursuant to this part, (3) the action has been approved by the Secretary of Defense pursuant to §195.11, and (4) the expiration of 30 days after the Secretary of Defense has filed with the committee of the House and the committee of the Senate having legislative jurisdiction over the program involved, a full written report of the circumstances and the grounds for such action. Any action to suspend or terminate or to refuse to grant or to continue Federal financial assistance shall be limited to the particular political entity, or part thereof, or other applicant or recipient as to whom such a finding has been made and shall be limited in its effect to the particular program, or part thereof, in which such noncompliance has been so found.

(d) *Other means authorized by law.* No action to affect compliance by any other means authorized by law shall be taken until (1) the responsible Department official has determined that compliance cannot be secured by voluntary means, (2) the action has been approved by the Assistant Secretary of Defense (Manpower), (3) the recipient or other person has been notified of its failure to comply and of the action to be taken to effect compliance, and (4) the expiration of at least 10 days from the mailing of such notice to the recipient or other person. During this period of at least 10 days additional efforts shall be made to persuade the recipient or other person to comply with this part and to take such corrective action as may be appropriate.

[29 FR 19291, Dec. 31, 1964. Redesignated and amended at 56 FR 32965, July 18, 1991]

§195.10 Hearings.

(a) *Opportunity for hearing.* Whenever an opportunity for a hearing is required by §195.9, reasonable notice shall be given by registered or certified mail, return receipt requested, to the affected applicant or recipient. This notice shall advise the applicant or recipient 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 applicant or recipient may request of the responsible Department official that the matter be scheduled for hearing or (2) advise the applicant or recipient 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 hearing. An applicant or recipient may waive a hearing and submit written information and argument. The failure of an applicant or recipient to request a hearing under this paragraph or to appear at a hearing for which a date has been set shall be deemed to be a waiver of the right to a hearing under section 602 of the Act and §195.11(c) and consent to the making of a decision on the basis of such information as is available.

(b) *Time and place of hearing.* Hearings shall be held at the offices of the responsible component of the Department of Defense in Washington, D.C., at a time fixed by the responsible Department official unless he determines that the convenience of the applicant or recipient or of the component requires that another place be selected. Hearings shall be held before the responsible Department official or, at his discretion, before a hearing examiner designated by him.

(c) *Hearing examiner.* The examiner shall be a field grade officer or civilian employee above the grade of GS–12 (or the equivalent) who shall be a person admitted to practice law before a Federal court or the highest court of a State.

(d) *Right to counsel.* In all proceedings under this section, the applicant or recipient and the responsible component of the Department shall have the right to be represented by counsel.

(e) *Procedures.* (1) The recipient shall receive an open hearing at which he or his counsel may examine any witnesses present. Both the responsible Department official and the applicant or recipient shall be entitled to introduce all relevant evidence on the issues as stated in the notice for hearing or as determined by the officer conducting the hearing at the outset of or during the hearing.

(2) Technical rules of evidence shall not apply to hearings conducted pursuant to this part, but rules or principles designed to assure production of the most credible evidence available and to subject testimony to test by cross-examination shall be applied where reasonably necessary by the officer conducting the hearing. The hearing officer may exclude irrelevant, immaterial, or unduly repetitious evidence. All documents and other evidence offered or taken for record shall be open to examination by the parties and opportunity shall be given to refute facts and arguments advanced on either side of the issues. A transcript shall be made of the oral evidence except to the extent the substance thereof is stipulated for the record. All decisions shall be based upon the hearing record and written findings shall be made.

(f) *Consolidated or joint hearings.* In cases in which the same or related facts are asserted to constitute noncompliance with this part with respect to two or more programs to which this part applies, or noncompliance with this part and the regulations of one or more other Federal departments or agencies issued under Title VI of the Act, the Assistant Secretary of Defense (Manpower), the Secretary of a Military Department, or other responsible Department official designated by the Assistant Secretary of Defense (Manpower) after consultation with the Assistant Secretary of Defense (Manpower) may, by agreement with such other departments or agencies where applicable, provide for the conduct of consolidated or joint hearings, and for the application to such hearings of appropriate procedures not inconsistent with this part. Final decisions in such cases, insofar as this part is concerned, shall be made in accordance with § 195.11.

[29 FR 19291, Dec. 31, 1964, as amended at 30 FR 133, Jan. 7, 1965. Redesignated and amended at 56 FR 32965, July 18, 1991]

§ 195.11 Decisions and notices.

(a) *Decision by person other than the responsible department official.* If the hearing is held by a hearing examiner such hearing examiner 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 applicant or recipient. Where the initial decision is made by the hearing examiner the applicant or recipient 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 applicant or recipient a notice that he will review the decision. Upon the filing of such exceptions or of such notice of review the 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 examiner pursuant to paragraph (a) of this section or whenever the responsible Department official conducts the hearing, the applicant or recipient 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 applicant or recipient and to the complainant, if any.

(c) *Decisions on record where a hearing is waived.* Whenever a hearing is waived pursuant to §195.10(a), a decision shall be made by the responsible Department official on the record and a copy of such decision shall be given in writing to the applicant or recipient, and to the complainant, if any.

(d) *Rulings 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 applicant or recipient has failed to comply.

(e) *Approval by the Secretary of Defense.* Any final decision of a responsible Department official 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 or the Act, shall promptly be transmitted to the Secretary of Defense, who may approve such decision, may vacate it, or remit or mitigate any sanction imposed.

(f) *Contents 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 applicant or recipient 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) *Post-termination proceedings.* (1) An applicant or recipient 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.

(2) Any applicant or recipient 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 applicant or recipient 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 applicant or recipient 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 applicant or recipient 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 subsection are pending, the sanctions imposed by the order issued under paragraph (f) of this section shall remain in effect.

[29 FR 19291, Dec. 31, 1964, as amended at 38 FR 17960, July 5, 1973. Redesignated and amended at 56 FR 32965, July 18, 1991]

§195.12 Judicial review.

Action taken pursuant to section 602 of the Act is subject to judicial review as provided in section 603 of the Act.

§195.13 Effect on other issuances.

All issuances heretofore issued by any officer of the Department of Defense or its components 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 authorize the suspension or termination of or refusal to grant or to continue Federal financial assistance to any applicant for or recipient 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 person of any obligation assumed or imposed under any such superseded regulation, order, instruction, or like direction prior to the effective date of this part. Nothing in this part, however, shall be deemed to supersede any of the following (including future amendments thereof):

(a) Executive Orders 10925 and 11114 and issuances thereunder,

(b) The ''Standards for a Merit System of Personnel Administration,'' issued jointly by the Secretaries of Defense, of Health, Education, and Welfare, and of Labor, 28 FR 734, or

(c) Executive Order 11063 and issuances thereunder, or any other issuances, insofar as such Order or issuances 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.

§ 195.14 Implementation.

The Secretary of each Military Department shall submit regulations implementing this part to the Assistant Secretary of Defense (Manpower).

APPENDIX A TO PART 195—PROGRAMS TO WHICH THIS PART APPLIES

1. The Army and Air National Guard (Title 32, United States Code).

2. Various programs involving loan or other disposition of surplus property (various general and specialized statutory provisions including: 40 United States Code 483, 484, 512; 49 United States Code 1101–1119; 10 United States Code 2541, 2542, 2543, 2572, 2662, 7308, 7541, 7542, 7545, 7546, 7547).

3. National Program for Promotion of Rifle Practice (10 United States Code 4307 and annual Department of Defense Appropriation Act).

4. National Defense Cadet Corps Program (10 United States Code 3540(b), 4651).

5. Office of Civil Defense assistance to programs of adult education in civil defense subjects (50 United States Code App. 2281 (e), (f)).

6. Office of Civil Defense radiological instruments grants (50 United States Code App. 2281(h)).

7. Office of Civil Defense program (with Public Health Service) for development of instructional materials on medical self-help (50 United States Code App. 2281 (e), (f)).

8. Office of Civil Defense university extension programs for civil defense instructor training (50 United States Code App. 2281 (e)).

9. Office of Civil Defense programs for survival supplies and equipment, survival training, emergency operating center construction, and personnel and administrative expenses (50 United States Code App. 2281(i), 2285).

10. Office of Civil Defense Shelter Provisioning Program (50 United States Code App. 2281(h)).

11. Office of Civil Defense assistance to students attending Office of Civil Defense schools (50 United States Code App. 2281(e)).

12. Office of Civil Defense loans of equipment or materials from OCD stockpiles for civil defense, including local disaster purposes (50 United States Code App. 2281).

13. Navy Science Cruiser Program (SecNav Instruction 5720.19A).

14. Civil Air Patrol (10 United States Code 9441).

15. Research grants made under the authority of Pub. L. 85–934 (42 United States Code 1892).

16. Contracts with nonprofit institutions of higher education or with nonprofit organizations whose primary purpose is the conduct of scientific research, wherein title to equipment purchased with funds under such contracts may be vested in such institutions or organizations under the authority of Pub. L. 85–934 (42 United States Code 1891).

17. Army Corps of Engineers participation in cooperative investigations and studies concerning erosion of shores of coastal and lake waters (33 United States Code 426).

18. Army Corps of Engineers assistance in the construction of works for the restoration and protection of shores and beaches (33 United States Code 426e–h).

19. Public park and recreational facilities at water resource development projects under the administrative jurisdiction of the Department of the Army (16 United States Code 460d and Federal Water Project Recreation Act, Pub. L. 89–72, 79 Stat. 218, July 9, 1965).

20. Payment to States of proceeds of lands acquired by the United States for flood control, navigation, and allied purposes (33 United States Code 701–c–3).

21. Grants of easements without consideration, or at a nominal or reduced consideration, on lands under the control of the Department of the Army at water resource development projects (33 United States Code 558c and 702d–1; 10 United States Code 2668 and 2669); 43 United States Code 961; 40 United States Code 319).

22. Army Corps of Engineers assistance in the construction of small boat harbor projects (33 United States Code 540 and 577, and 47 Stat. 42, Feb. 10, 1932).

23. Emergency bank protection works constructed by the Army Corps of Engineers for protection of highways, bridge approaches, and public works (33 United States Code 701r).

24. Assistance to States and local interests in the development of water supplies for municipal and industrial purposes in connection with Army Corps of Engineers reservoir projects (Water Supply Act of 1958, 43 United States Code 390b).

25. Army Corps of Engineers contracts for remedial works under authority of section 111 of Act of July 3, 1958 (33 United States Code 633).

[29 FR 19291, Dec. 31, 1964, as amended at 31 FR 6831, May 7, 1966]

PART 196 [RESERVED]

PART 199—CIVILIAN HEALTH AND MEDICAL PROGRAM OF THE UNIFORMED SERVICES (CHAMPUS)

Sec.

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APPENDIX A TO PART 199—ACRONYMS

AUTHORITY: 5 U.S.C. 301; 10 U.S.C. chapter 55.

SOURCE: 51 FR 24008, July 1, 1986, unless otherwise noted.

§199.1 General provisions.

(a) *Purpose.* This part prescribes guidelines and policies for the administration of the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) for the Army, the Navy, the Air Force, the Marine Corps, the Coast Guard, the Commissioned Corps of the U.S. Public Health Service (USPHS) and the Commissioned Corps of the National Oceanic and Atmospheric Administration (NOAA).

(b) *Applicability*—(1) *Geographic.* This part is applicable geographically within the 50 States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the United States possessions and territories, and in all foreign countries, unless specific exemptions are granted in writing by the Director, OCHAMPUS, or a designee.

(2) *Agency.* The provisions of this part apply throughout the Department of Defense (DoD), the Coast Guard, the Commissioned Corps of the USPHS, and the Commissioned Corps of the NOAA.

(c) *Authority and responsibility*—(1) *Legislative authority*—(i) *Joint regulations.* 10 U.S.C. chapter 55 authorizes the Secretary of Defense, the Secretary of Health and Human Services, and the Secretary of Transportation jointly to prescribe regulations for the administration of CHAMPUS.

(ii) *Administration.* 10 U.S.C. chapter 55 also authorizes the Secretary of Defense to administer CHAMPUS for the Army, Navy, Air Force, and Marine Corps under DoD jurisdiction, the Secretary of Transportation to administer CHAMPUS for the Coast Guard, when the Coast Guard is not operating as a service in the Navy, and the Secretary of Health and Human Services to administer CHAMPUS for the Commissioned Corps of the NOAA and the USPHS.

(2) *Organizational delegations and assignments*—(i) *Assistant Secretary of Defense (Health Affairs) (ASD(HA)).* The Secretary of Defense, by 32 CFR part 367, delegated authority to the ASD(HA) to provide policy guidance, management control and coordination as required for CHAMPUS, and to develop, issue, and maintain regulations with the coordination of the Military Departments and consistent with DoD 5025.1–M.[1] Additional implementing authority is contained in DoD Directive 5105.46.[2]

(ii) *Department of Health and Human Services.* The Secretary of Health and Human Services has delegated authority to the Assistant Secretary for Health, DHHS, to consult with the Secretary of Defense or a designee and to approve and issue joint regulations implementing 10 U.S.C. chapter 55. This delegation was effective April 19, 1976 (41 FR 18698, May 6, 1976).

(iii) *Department of Transportation.* The Secretary of Transportation has delegated authority to the Commandant, United States Coast Guard, to consult with the Secretary of Defense or a designee and to approve an issue joint regulations implementing 10 U.S.C., chapter 55.

(iv) *Office of CHAMPUS (OCHAMPUS).* By DoD Directive 5105.46, OCHAMPUS was established as an OSD field activity under the policy guidance and direction of the ASD(HA). The Director, OCHAMPUS, is directed to execute the following responsibilities and functions:

(A) Supervise and administer the programs and missions to:

(*1*) Provide technical direction and guidance on organizational, administrative, and operational matters.

(*2*) Conduct studies and research activities in the health care area to assist in formulating policy required to guide OCHAMPUS in carrying out its programs.

(*3*) Enter into agreements through the Department of Defense with respect to the Military Departments or other U.S. Government entities, as required, for the effective performance of CHAMPUS.

(*4*) Supervise and administer OCHAMPUS financial management activities to include:

(*i*) Formulating budget estimates and justifications to be submitted to the Deputy Assistant Secretary of Defense (Administration) (DASD(A)) for inclusion in the overall budget for the Office of the Secretary of Defense.

(*ii*) Ensuring the establishment and maintenance of necessary accounting records and submission of required financial reports to the DASD(A).

(*iii*) Ensuring the effective execution of approved budgets.

(*5*) Contract for claims processing services, studies and research, supplies, equipment, an other services necessary to carry out the CHAMPUS programs.

(*6*) Monitor claims adjudication and processing contracts to ensure that CHAMPUS fiscal intermediaries are fulfilling their obligations.

(*7*) Convey appropriate CHAMPUS information to providers of care, practitioners, professional societies, health industry organizations, fiscal agents, hospital contractors, and others who have need of such information.

(*8*) Collect, maintain, and analyze program cost and utilization data appropriate for preparation of budgets, fiscal planning, and as otherwise needed to carry out CHAMPUS programs and missions.

(*9*) Arrange for the facilities logistical and administrative support to be provided by the Military Departments.

(*10*) Execute such other functions as appropriate to administer the programs and missions assigned.

(B) Direct and control of the office, activities, and functions of OCHAMPUS Europe (OCHAMPUSEUR).

NOTE: The Director, OCHAMPUS, may also establish similar offices for OCHAMPUS Southern Hemisphere (OCHAMPUSSO) and OCHAMPUS Pacific (OCHAMPUSPAC).

(C) Develop for issuance, subject to approval by the ASD(HA), such policies

[1] Copies may be obtained, if needed, from the National Technical Information Service (NTIS), U.S. Department of Commerce, 5285 Port Royal Road, Springfield, VA 22161.

[2] Copies may be obtained; if needed from the Naval Publications and Forms Center, 5801 Tabor Avenue, Code 301, Philadelphia, PA 19120.

or regulations as required to administer and manage CHAMPUS effectively.

(v) *Evidence of eligibility*. The Department of Defense, through the Defense Enrollment Eligibility Reporting System (DEERS), is responsible for establishing and maintaining a listing of persons eligible to receive benefits under CHAMPUS. Identification cards or devices bearing information necessary for preliminary evidence of eligibility, subject to verification through the DEERS, shall be issued to eligible persons by the appropriate Uniformed Services (DoD 1341.1–M, ''Defense Enrollment Eligibility Reporting System (DEERS) Program Manual'').

(d) *Medical benefits program.* The CHAMPUS is a program of medical benefits provided by the U.S. Government under public law to specified categories of individuals who are qualified for these benefits by virtue of their relationship to one of the seven Uniformed Services. Although similar in structure in many of its aspects, CHAMPUS is not an insurance program in that it does not involve a contract guaranteeing the indemnification of an insured party against a specified loss in return for a premium paid. Further, CHAMPUS is not subject to those state regulatory bodies or agencies that control the insurance business generally.

(e) *Program funds.* The funds used by CHAMPUS are appropriated funds furnished by the Congress through the annual appropriation acts for the Department of Defense and the DHHS. These funds are further disbursed by agents of the government under contracts negotiated by the Director, OCHAMPUS, or a designee, under the provisions of the Federal Aquisition Regulation (FAR). These agents (referred to in this part as CHAMPUS fiscal intermediaries) receive claims against CHAMPUS and adjudicate the claims under this part and in accordance with administrative procedures and instructions prescribed in their contracts. The funds expended for CHAMPUS benefits are federal funds provided CHAMPUS fiscal intermediaries solely to pay CHAMPUS claims, and are not a part of or obtained from the CHAMPUS fiscal intermediary's funds related to other programs or insurance coverage. CHAMPUS fiscal intermediaries are reimbursed for the adjudication and payment of CHAMPUS claims at a rate (generally fixed-price) prescribed in their contracts.

(f) *Claims adjudication and processing.* The Director, OCHAMPUS, is responsible for making such arrangements as are necessary to adjudicate and process CHAMPUS claims worldwide.

(1) *The United States*—(i) *Contracting out.* The primary method of processing CHAMPUS claims in the United States is through competitively procured, fixed-price contracts. The Director, OCHAMPUS, or a designee, is responsible for negotiating, under the provisions of the FAR, contracts for the purpose of adjudicating and processing CHAMPUS claims (and related supporting activities).

(ii) *In-house.* The Director, OCHAMPUS, or a designee, is authorized to adjudicate and process certain CHAMPUS claims in-house at OCHAMPUS, when it is determined to be in the best interests of CHAMPUS subject to applicable considerations set forth in OMB Circular A–76. Such in-house claims processing may involve special or unique claims, or all claims for a specific geographic area.

(2) *Outside the United States*—(i) *Special subsidiary office or contracting out.* For adjudicating and processing CHAMPUS claims for services or supplies provided outside the United States, the Director, OCHAMPUS, or a designee, has the option of either setting up a special subsidiary claims paying operation (such as OCHAMPUSEUR) or contracting out as described in paragraph (f)(1)(i) of this section. Such claims paying operations are reviewed periodically to determine whether current arrangements continue to be appropriate and the most effective.

(ii) *Support agreements.* In those situations outside the United States that demand special arrangements, the Director, OCHAMPUS, may enter into support agreements through the Department of Defense with any of the Military Departments or other government agency to process CHAMPUS claims in specific geographic locations. Such agreements may be negotiated for such period of time as the Director,

OCHAMPUS, or designee, may determine to be necessary to meet identified special demands.

(g) *Recommendations for change to part.* The Director, OCHAMPUS, or a designee, shall establish procedures for receiving and processing recommendations for changes to this part from interested parties.

(h) *CHAMPUS, claims forms.* The Director, OCHAMPUS, or a designee, is responsible for the development and updating of all CHAMPUS claim forms and any other forms necessary in the administration of CHAMPUS.

(i) *The CHAMPUS handbook.* The Director, OCHAMPUS, or a designee, shall develop the CHAMPUS, Handbook. The CHAMPUS Handbook is a general program guide for the use of CHAMPUS beneficiaries and providers and shall be updated, as required.

(j) *Program integrity.* The Director, OCHAMPUS, or a designee, shall oversee all CHAMPUS personnel, fiscal intermediaries, providers, and beneficiaries to ensure compliance with this part. The Director, OCHAMPUS, or a designee, shall accomplish this by means of proper delegation of authority, separation of responsibilities, establishment of reports, performance evaluations, internal and external management and fiscal audits, personal or delegated reviews of CHAMPUS responsibilities, taking affidavits, exchange of information among state and Federal governmental agencies, insurers, providers and associations of providers, and such other means as may be appropriate. Compliance with law and this part shall include compliance with specific contracts and agreements, regardless of form, and general instructions, such as CHAMPUS policies, instructions, procedures, and criteria relating to CHAMPUS operation.

(k) *Role of CHAMPUS Health Benefits Advisor (HBA).* The CHAMPUS HBA is appointed (generally by the commander of a Uniformed Services medical treatment facility) to serve as an advisor to patients and staff in matters involving CHAMPUS. The CHAMPUS HBA may assist beneficiaries or sponsors in applying for CHAMPUS benefits, in the preparation of claims, and in their relations with OCHAMPUS and CHAMPUS fiscal intermediaries. However, the CHAMPUS HBA is not responsible for CHAMPUS policies and procedures and has no authority to make benefit determinations or obligate Government funds. Advice given to beneficiaries as to determination of benefits or level of payment is not binding on OCHAMPUS or CHAMPUS fiscal intermediaries.

(l) *Cooperation and exchange of information with other Federal programs.* The Director, OCHAMPUS, or a designee, shall disclose to appropriate officers or employees of the DHHS:

(1) *Investigation for fraud.* The name and address of any physician or other individual actively being investigated for possible fraud in connection with CHAMPUS, and the nature of such suspected fraud. An active investigation exists when there is significant evidence supporting an initial complaint but there is need for further investigation.

(2) *Unnecessary services.* The name and address of any provider of medical services, organization, or other person found, after consultation with an appropriate professional association or appropriate peer review body, to have provided unnecessary services. Such information will be released only for the purpose of conducting an investigation or prosecution, or for the administration of titles XVIII and XIX of the Social Security Act, provided that the information will be released only to the agency's enforcement branch and that the agency will preserve the confidentiality of the information received and will not disclose such information for other than program purposes.

(m) *Disclosure of information to the public.* Records and information acquired in the administration of CHAMPUS are records of the Department of Defense and may be disclosed in accordance with DoD Directive 5400.7[3], DoD 5400.7–R[4], and DoD 5400.11–R[5] (codified in 32 CFR parts 286 and 286a), constituting the applicable DoD Directives and DoD Regulations implementing the Freedom of Information and the Privacy Acts.

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[3] See footnote 2 to § 199.1(c)(2)(i)

[4] See footnote 1 to § 199.1(c)(2)(i)

[5] See footnote 1 to § 199.1(c)(2)(i)

(n) *Discretionary authority*. When it is determined to be in the best interest of CHAMPUS, the Director, OCHAMPUS, or a designee, is granted discretionary authority to waive any requirements of this part, except that any requirement specifically set forth in 10 U.S.C. chapter 55, or otherwise imposed by law, may not be waived. It is the intent that such discretionay authority be used only under very unusual and limited circumstances and not to deny any individual any right, benefit, or privilege provided to him or her by statute or this part. Any such exception granted by the Director, OCHAMPUS, or a designee, shall apply only to the individual circumstance or case involved and will in no way be construed to be precedent-setting.

(o) *Demonstration projects*. (1) *Authority*. The Director, OCHAMPUS may waive or alter any requirements of this regulation in connection with the conduct of a demonstration project required or authorized by law except for any requirement that may not be waived or altered pursuant to 10 U.S.C. chapter 55, or other applicable law.

(2) *Procedures*. At least 30 days prior to taking effect, OCHAMPUS shall publish a notice describing the demonstration project, the requirements of this regulation being waived or altered under paragraph (o)(1) of this section and the duration of the waiver or alteration. Consistent with the purpose and nature of demonstration projects, these notices are not covered by public comment practices under DoD Directive 5400.9 (32 CFR part 296) or DoD Instruction 6010.8.

(3) *Definition*. For purposes of this section, a ''demonstration project'' is a project of limited duration designed to test a different method for the finance, delivery or administration of health care activities for the uniformed services. Demonstration projects may be required or authorized by 10 U.S.C. 1092, any other statutory provision requiring or authorizing a demonstration project or any other provision of law that authorizes the activity involved in the demonstration project.''.

(p) *Military-Civilian Health Services Partnership Program*. The Secretary of Defense, or designee, may enter into an agreement (external or internal) providing for the sharing of resources between facilities of the uniformed services and facilities of a civilian health care provider or providers if the Secretary determines that such an agreement would result in the delivery of health care in a more effective, efficient or economical manner. This partnership allows CHAMPUS beneficiaries to receive inpatient and outpatient services through CHAMPUS from civilian personnel providing health care services in military treatment facilities and from uniformed service professional providers in civilian facilities. The policies and procedures by which partnership agreements may be executed are set forth in Department of Defense Instruction (DoDI) 6010.12, ''Military-Civilian Health Services Partnership Program.'' The Director, OCHAMPUS, or a designee, shall issue policies, instructions, procedures, guidelines, standards, or criteria as may be necessary to provide support for implementation of DoDI 6010.12, to promulgate and manage benefit and financial policy issues, and to develop a program evaluation process to ensure the Partnership Program accomplishes the purpose for which it was developed.

(1) *Partnership agreements*. Military treatment facility commanders, based upon the authority provided by their representative Surgeons General of the military departments, are responsible for entering into individual partnership agreements only when they have determined specifically that use of the Partnership Program is more economical overall to the Government than referring the need for health care services to the civilian community under the normal operation of the CHAMPUS Program. All such agreements are subject to the review and approval of the Director, OCHAMPUS, or designee, and the appropriate Surgeon General.

(i) *External Partnership Agreements*. The external partnership agreement is an agreement between a military treatment facility Commander and a CHAMPUS-authorized institutional provider, enabling Uniformed Services health care personnel to provide otherwise covered medical care to CHAMPUS beneficiaries in a civilian facility. Authorized costs associated

with the use of the facility will be financed through CHAMPUS under normal cost-sharing and reimbursement procedures currently applicable under the basic CHAMPUS. Savings will be realized under this type of agreement by using available military health care personnel to avoid the civilian professional provider charges which would otherwise be billed to CHAMPUS.

(ii) *Internal Partnership Agreements.* The internal partnership agreement is an agreement between a military treatment facility commander and a CHAMPUS-authorized civilian health care provider which enables the use of civilian health care personnel or other resources to provide medical care to CHAMPUS beneficiaries on the premises of a military treatment facility. These internal agreements may be established when a military treatment facility is unable to provide sufficient health care services for CHAMPUS beneficiaries due to shortages of personnel and other required resources. In addition to allowing the military treatment facility to achieve maximum use of available facility space, the internal agreement will result in savings to the Government by using civilian medical specialists to provide inpatient care in Government-owned facilities, thereby avoiding the civilian facility charges which would have otherwise been billed to CHAMPUS.

(2) *Beneficiary Cost-Sharing.* Beneficiary cost-sharing under the Partnership Program is outlined in § 199.4(f)(5) of this part.

(3) *Reimbusement.* Reimbursement under the Partnership Program is outlined in § 199.14(f) of this part.

(4) *Beneficiary Eligibility and Authorized Providers.* Existing requirements of this Regulation remain in effect as concerns beneficiary eligibility and authorized providers.

(5) *Range of Benefits.* Health care services provided CHAMPUS beneficiaries under the terms of the Partnership Program must be consistent with the CHAMPUS range of benefits outlined in this Regulation. The services rendered must be otherwise covered. Charges allowed for professional services provided under the Partnership Program may include costs of support personnel, equipment, and supplies when specifically outlined in the partnership agreement, However, all CHAMPUS coverage and provider requirements must be met.

(q) *Equality of benefits.* All claims submitted for benefits under CHAMPUS shall be adjudicated in a consistent, fair, and equitable manner, without regard to the rank of the sponsor.

(r) *TRICARE program.* Many rules and procedures established in sections of this part are subject to revision in areas where the TRICARE program is implemented. The TRICARE program is the means by which managed care activities designed to improve the delivery and financing of health care services in the Military Health Services System(MHSS) are carried out. Rules and procedures for the TRICARE program are set forth in § 199.17.

[51 FR 24008, July 1, 1986, as amended at 52 FR 38754, Oct. 19, 1987; 53 FR 27961, July 26, 1988; 55 FR 43338, Oct. 29, 1990; 60 FR 52094, Oct. 5, 1995]

§ 199.2 Definitions.

(a) *General.* In an effort to be as specific as possible as to the word and intent of CHAMPUS, the following definitions have been developed. While many of the definitions are general and some assign meaning to relatively common terms within the health insurance environment, others are applicable only to CHAMPUS; however, they all appear in this part solely for the purpose of the Program. Except when otherwise specified, the definitions in this section apply generally throughout this part.

(b) *Specific definitions.*

Abortion. Abortion means the intentional termination of a pregnancy by artificial means done for a purpose other than that of producing a live birth. A spontaneous, missed or threatened abortion or termination of an ectopic (tubal) pregnancy are not included within the term ''abortion'' as used herein.

Absent treatment. Services performed by Christian Science practitioners for a person when the person is physically present.

NOTE: Technically, ''Absent Treatment'' is an obsolete term. The current Christian Science terminology is ''treatment through

prayer and spiritual means,'' which is employed by an authorized Christian Science practitioner either with the beneficiary being present or absent. However, to be considered for coverage under CHAMPUS, the beneficiary must be present physically when a Christian Science service is rendered, regardless of the terminology used.

Abuse. For the purposes of this part, abuse is defined as any practice that is inconsistent with accepted sound fiscal, business, or professional practice which results in a CHAMPUS claim, unnecessary cost, or CHAMPUS payment for services or supplies that are: (1) Not within the concepts of medically necessary and appropriate care, as defined in this part, or (2) that fail to meet professionally recognized standards for health care providers. The term ''abuse'' includes deception or misrepresentation by a provider, or any person or entity acting on behalf of a provider in relation to a CHAMPUS claim.

NOTE: Unless a specific action is deemed gross and flagrant, a pattern of inappropriate practice will normally be required to find that abuse has occurred. Also, any practice or action that constitutes fraud, as defined by this part, would also be abuse.

Accidental injury. Physical bodily injury resulting from an external force, blow or fall, or the ingestion of a foreign body or harmful substance, requiring immediate medical treatment. Accidental injury also includes animal and insect bites and sunstrokes. For the purpose of CHAMPUS, the breaking of a tooth or teeth does not constitute a physical bodily injury.

Active duty. Full-time duty in the Uniformed Services of the United States. It includes duty on the active list, full-time training duty, annual training duty, and attendance while in the active Military Service, at a school designated as a Service school by law or by the Secretary of the Military Department concerned.

Active duty member. A person on active duty in a Uniformed Service under a call or order that does not specify a period of 30 days or less.

Acupuncture. The practice of inserting needles into various body parts to pierce specific peripheral nerves for the production of counter-irritation to relieve the discomfort of pain, induce surgical anesthesia, or for other treatment purposes.

NOTE: Acupuncture is not covered by CHAMPUS.

Adequate Medical Documentation, Medical Treatment Records. Adequate medical documentation contains sufficient information to justify the diagnosis, the treatment plan, and the services and supplies furnished. Under CHAMPUS, it is required that adequate and sufficient clinical records be kept by the health care provider(s) to substantiate that specific care was actually and appropriately furnished, was medically necessary and appropriate (as defined by this part), and to identify the individual(s) who provided the care. All procedures billed must be documented in the records. In determining whether medical records are adequate, the records will be reviewed under the generally acceptable standards such as the applicable Joint Commission on Accreditation of Healthcare Organizations (JCAHO) standards, the Peer Review Organization (PRO) standards (and the provider's state or local licensing requirements) and other requirements specified by this part. In general, the documentation requirements for a professional provider are not less in the outpatient setting than the inpatient setting.

Adequate Medical Documentation, Mental Health Records. Adequate medical documentation provides the means for measuring the type, frequency, and duration of active treatment mechanisms employed and progress under the treatment plan. Under CHAMPUS, it is required that adequate and sufficient clinical records be kept by the provider to substantiate that specific care was actually and appropriately furnished, was medically or psychologically necessary (as defined by this part), and to identify the individual(s) who provided the care. Each service provided or billed must be documented in the records. In determining whether medical records are adequate, the records will be reviewed under the generally acceptable standards (e.g., the applicable JCAHO standards and the provider's state or local licensing requirements) and other requirements specified by this part. It must be noted that

the psychiatric and psychological evaluations, physician orders, the treatment plan, integrated progress notes (and physician progress notes if separate from the integrated progress notes), and the discharge summary are the more critical elements of the mental health record. However, nursing and staff notes, no matter how complete, are not a substitute for the documentation of services by the individual professional provider who furnished treatment to the beneficiary. In general, the documentation requirements of a professional provider are not less in the outpatient setting than the inpatient setting. Furthermore, even though a hospital that provides psychiatric care may be accredited under the JCAHO manual for hospitals rather than the consolidated standards manual, the critical elements of the mental health record listed above are required for CHAMPUS claims.

Adjunctive dental care. Dental care which is medically necessary in the treatment of an otherwise covered medical (not dental) condition, is an integral part of the treatment of such medical condition and is essential to the control of the primary medical condition; or, is required in preparation for or as the result of dental trauma which may be or is caused by medically necessary treatment of an injury or disease (iatrogenic).

Admission. The formal acceptance by a CHAMPUS authorized institutional provider of a CHAMPUS beneficiary for the purpose of diagnosis and treatment of illness, injury, pregnancy, or mental disorder.

Adopted Child. A child taken into one's own family by legal process and treated as one's own child. In case of adoption, CHAMPUS eligibility begins as of 12:01 a.m. of the day of the final adoption decree.

NOTE: There is no CHAMPUS benefit entitlement during any interim waiting period.

All-Inclusive Per Diem Rate. The OCHAMPUS determined rate that encompasses the daily charge for inpatient care and, unless specifically excepted, all other treatment determined necessary and rendered as part of the treatment plan established for a patient, and accepted by OCHAMPUS.

Allowable charge. The CHAMPUS-determined level of payment to physicians, other individual professional providers and other providers, based on one of the approved reimbursement methods set forth in § 199.14 of this part. Allowable charge also may be referred to as the CHAMPUS-determined reasonable charge.

Allowable cost. The CHAMPUS-determined level of payment to hospitals or other insitutions, based on one of the approved reimbursement methods set fourth in § 199.14 of this part. Allowable cost may also be referred to as the CHAMPUS-determined reasonable cost.

Ambulance. A specially designed vehicle for transporting the sick or injured that contains a stretcher, linens, first aid supplies, oxygen equipment, and such lifesaving equipment required by state and local law, and that is staffed by personnel trained to provide first aid treatment.

Amount in dispute. The amount of money, determined under this part, that CHAMPUS would pay for medical services and supplies involved in an adverse determination being appealed if the appeal were resolved in favor of the appealing party. See § 199.10 for additional information concerning the determination of ''amount in dispute'' under this part.

Anesthesia services. The administration of an anesthetic agent by injection or inhalation, the purpose and effect of which is to produce surgical anesthesia characterized by muscular relaxation, loss of sensation, or loss of consciousness when administered by or under the direction of a physician or dentist in connection with otherwise covered surgery or obstetrical care, or shock therapy. Anesthesia services do not include hypnosis or acupuncture.

Appealable issue. Disputed questions of fact which, if resolved in favor of the appealing party, would result in the authorization of CHAMPUS benefits, or approval as an authorized provider in accordance with this part. An appealable issue does not exist if no facts are in dispute, if no CHAMPUS benefits would be payable, or if there is no authorized provider, regardless of the resolution of any disputed facts. See

§ 199.10 for additional information concerning the determination of ''appealable issue'' under this part.

Appealing party. Any party to the initial determination who files an appeal of an adverse determination or requests a hearing under the provisions of this part.

Appropriate medical care. (i) Services performed in connection with the diagnosis or treatment of disease or injury, pregnancy, mental disorder, or well-baby care which are in keeping with the generally accepted norms for medical practice in the United States;

(ii) The authorized individual professional provider rendering the medical care is qualified to perform such medical services by reason of his or her training and education and is licensed or certified by the state where the service is rendered or appropriate national organization or otherwise meets CHAMPUS standards; and

(iii) The services are furnished economically. For purposes of this part, ''economically'' means that the services are furnished in the least expensive level of care or medical environment adequate to provide the required medical care regardless of whether or not that level of care is covered by CHAMPUS.

Approved teaching programs. For purposes of CHAMPUS, an approved teaching program is a program of graduate medical education which has been duly approved in its respective specialty or subspecialty by the Accreditation Council for Graduate Medical Education of the American Medical Association, by the Committee on Hospitals of the Bureau of Professional Education of the American Osteopathic Association, by the Council on Dental Education of the American Dental Association, or by the Council on Podiatry Education of the American Podiatry Association.

Assistant Secretary of Defense (Health Affairs). An authority of the Assistant Secretary of Defense (Health Affairs) includes any person designated by the Assistant Secretary to exercise the authority involved.

Attending physician. The physician who has the primary responsibility for the medical diagnosis and treatment of the patient. A consultant or an assistant surgeon, for example, would not be an attending physician. Under very extraordinary circumstances, because of the presence of complex, serious, and multiple, but unrelated, medical conditions, a patient may have more than one attending physician concurrently rendering medical treatment during a single period of time. An attending physician also may be a teaching physician.

Authorized provider. A hospital or institutional provider, physician, or other individual professional provider, or other provider of services or supplies specifically authorized to provide benefits under CHAMPUS in § 199.6 of this part.

Backup hospital. A hospital which is otherwise eligible as a CHAMPUS institutional provider and which is fully capable of providing emergency care to a patient who develops complications beyond the scope of services of a given category of CHAMPUS-authorized freestanding institutional provider and which is accessible from the site of the CHAMPUS-authorized freestanding institutional provider within an average transport time acceptable for the types of medical emergencies usually associated with the type of care provided by the freestanding facility.

Balance billing. A provider seeking any payment, other than any payment relating to applicable deductible and cost sharing amounts, from a beneficiary for CHAMPUS covered services for any amount in excess of the applicable CHAMPUS allowable cost or charge.

Basic program. The primary medical benefits authorized under chapter 55 of title 10 U.S. Code, and set forth in § 199.4 of this part.

Beneficiary. An individual who has been determined to be eligible for CHAMPUS benefits, as set forth in § 199.3 of this part.

Beneficiary liability. The legal obligation of a beneficiary, his or her estate, or responsible family member to pay for the costs of medical care or treatment received. Specifically, for the purposes of services and supplies covered by CHAMPUS, beneficiary liability includes any annual deductible amount, cost-sharing amounts, or, when a provider does not submit a

claim on a participating basis on behalf of the beneficiary, amounts above the CHAMPUS-determined allowable cost or charge. Beneficiary liability also includes any expenses for medical or related services and supplies not covered by CHAMPUS.

Birthing center. A health care provider which meets the applicable requirements established by § 199.6(b) of this part.

Birthing room. A room and environment designed and equipped to provide care, to accommodate support persons, and within which a woman with a low-risk, normal, full-term pregnancy can labor, deliver and recover with her infant.

Brace. An orthopedic appliance or apparatus (an orthosis) used to support, align, or hold parts of the body in correct position. For the purposes of CHAMPUS, it does not include orthodontic or other dental appliances.

Capped Rate. The maximum per diem or all-inclusive rate that CHAMPUS will allow for care.

Certified nurse-midwife. An individual who meets the applicable requirements established by § 199.6(c) of this part.

Certified psychiatric nurse specialist. A licensed, registered nurse who meets the criteria in § 199.6(c)(3)(iii)(G).

CHAMPUS DRG-Based Payment System. A reimbursement system for hospitals which assigns prospectively-determined payment levels to each DRG based on the average cost of treating all CHAMPUS patients in a given DRG.

CHAMPUS fiscal intermediary. An organization with which the Director, OCHAMPUS, has entered into a contract for the adjudication and processing of CHAMPUS claims and the performance of related support activities.

CHAMPUS Health Benefits Advisors (HBAs). Those individuals located at Uniformed Services medical facilities (on occasion at other locations) and assigned the responsibility for providing CHAMPUS information, information concerning availability of care from the Uniformed Services direct medical care system, and generally assisting beneficiaries (or sponsors). The term also includes ''Health Benefits Counselor'' and ''CHAMPUS Advisor.''

Chemotherapy. The administration of approved antineoplastic drugs for the treatment of malignancies (cancer) via perfusion, infusion, or parenteral methods of administration.

Child. An unmarried legitimate child, adopted child, stepchild, or illegitimate child, who otherwise meets the requirements (including age requirements) set forth in § 199.3(b)(2)(iv) of this part.

Chiropractor. A practitioner of chiropractic (also called chiropraxis); essentially a system of therapeutics based upon the claim that disease is caused by abnormal function of the nerve system. It attempts to restore normal function of the nerve system by manipulation and treatment of the structures of the human body, especially those of the spinal column.

NOTE: Services of chiropractors are not covered by CHAMPUS.

Christian science nurse. An individual who has been accredited as a Christian Science Nurse by the Department of Care of the First Church of Christ, Scientist, Boston, Massachusetts, and listed (or eligible to be listed) in the Christian Science Journal at the time the service is provided. The duties of Christian Science nurses are spiritual and are nonmedical and nontechnical nursing care performed under the direction of an accredited Christian Science practitioner. There exist two levels of Christian Science nurse accreditation:

(i) *Graduate Christian Science nurse.* This accreditation is granted by the Department of Care of the First Church of Christ, Scientist, Boston, Massachusetts, after completion of a 3-year course of instruction and study.

(ii) *Practical Christian Science nurse.* This accreditation is granted by the Department of Care of the First Church of Christ, Scientist, Boston, Massachusetts, after completion of a 1-year course of instruction and study.

Christian Science practitioner. An individual who has been accredited as a Christian Science Practitioner for the First Church, Scientist, Boston, Massachusetts, and listed (or eligible to be listed) in the Christian Science Journal at the time the service is provided. An individual who attains this accreditation has demonstrated results of his or her healing through faith and prayer

rather than by medical treatment. Instruction is executed by an accredited Christian Science teacher and is continuous.

Christian Science sanatorium. A sanatorium either operated by the First Church of Christ, Scientist, or listed and certified by the First Church of Christ, Scientist, Boston, Massachusetts.

Chronic medical condition. A medical condition that is not curable, but which is under control through active medical treatment. Such chronic conditions may have periodic acute episodes and may require intermittent inpatient hospital care. However, a chronic medical condition can be controlled sufficiently to permit generally continuation of some activities of persons who are not ill (such as work and school).

Chronic renal disease (CRD). The end stage of renal disease which requires a continuing course of dialysis or a kidney transplantation to ameliorate uremic symptoms and maintain life.

Clinical psychologist. A psychologist, certified or licensed at the independent practice level in his or her state, who meets the criteria in § 199.6(c)(3)(iii)(A).

Clinical social worker. An individual who is licensed or certified as a clinical social worker and meets the criteria listed in § 199.6.

Clinically Meaningful Endpoints. As used the definition of *reliable evidence* in this paragraph (b) and § 199.4(g)(15), the term clinically meaningful endpoints means objectively measurable outcomes of clinical interventions or other medical procedures, expressed in terms of survival, severity of illness or condition, extent of adverse side effects, diagnostic capability, or other effect on bodily functions directly associated with such results.

Collateral visits. Sessions with the patient's family or significant others for purposes of information gathering or implementing treatment goals.

Combined daily charge. A billing procedure by an inpatient facility that uses an inclusive flat rate covering all professional and ancillary charges without any itemization.

Complications of pregnancy. One of the following, when commencing or exacerbating during the term of the pregnancy:

(i) Caesarean delivery; hysterotomy.

(ii) Pregnancy terminating before expiration of 26 weeks, except a voluntary abortion.

(iii) False labor or threatened miscarriage.

(iv) Nephritis or pyelitis of pregnancy.

(v) Hyperemesis gravidarum.

(vi) Toxemia.

(vii) Aggravation of a heart condition or diabetes.

(viii) Premature rupture of membrane.

(ix) Ectopic pregnancy.

(x) Hemorrhage.

(xi) Other conditions as may be determined by the Director, OCHAMPUS, or a designee.

Confinement. That period of time from the day of admission to a hospital or other institutional provider, to the day of discharge, transfer, or separation from the facility, or death. Successive admissions also may qualify as one confinement provided not more than 60 days have elapsed between the successive admissions, except that successive admissions related to a single maternity episode shall be considered one confinement, regardless of the number of days between admissions.

Conflict of Interest. Includes any situation where an active duty member (including a reserve member while on active duty) or civilian employee of the United States Government, through an official federal position, has the apparent or actual opportunity to exert, directly or indirectly, any influence on the referral of CHAMPUS beneficiaries to himself or herself or others with some potential for personal gain or appearance of impropriety. For purposes of this part, individuals under contract to a Uniformed Service may be involved in a conflict of interest situation through the contract position.

Congenital anomaly. A condition existing at or from birth that is a significant deviation from the common form or norm and is other than a common racial or ethnic feature. For purposes of CHAMPUS, congenital anomalies do not include anomalies relating to teeth (including malocclusion or missing tooth buds) or structures supporting

the teeth, or to any form of hermaphroditism or sex gender confusion. Examples of congenital anomalies are harelip, birthmarks, webbed fingers or toes, or such other conditions that the Director, OCHAMPUS, or a designee, may determine to be congenital anomalies.

NOTE: Also refer to §199.4(e)(7) of this part.

Consultation. A deliberation with a specialist physician or dentist requested by the attending physician primarily responsible for the medical care of the patient, with respect to the diagnosis or treatment in any particular case. A consulting physician or dentist may perform a limited examination of a given system or one requiring a complete diagnostic history and examination. To qualify as a consultation, a written report to the attending physician of the findings of the consultant is required.

NOTE: Staff consultations required by rules and regulations of the medical staff of a hospital or other institutional provider do not qualify as consultation.

Consulting physician or dentist. A physician or dentist, other than the attending physician, who performs a consultation.

Conviction. For purposes of this part, ''conviction'' or ''convicted'' means that (1) a judgment of conviction has been entered, or (2) there has been a finding of guilt by the trier of fact, or (3) a plea of guilty or a plea of *nolo contendere* has been accepted by a court of competent jurisdiction, regardless of whether an appeal is pending.

Coordination of benefits. The coordination, on a primary or secondary payer basis, of the payment of benefits between two or more health care coverages to avoid duplication of benefit payments.

Cosmetic, reconstructive, or plastic surgery. Surgery that can be expected primarily to improve the physical appearance of a beneficiary, or that is performed primarily for psychological purposes, or that restores form, but does not correct or improve materially a bodily function.

Cost-share. The amount of money for which the beneficiary (or sponsor) is responsible in connection with otherwise covered inpatient and outpatient services (other than the annual fiscal year deductible or disallowed amounts) as set forth in §§199.4(f) and 199.5(b) of this part. Cost-sharing may also be referred to as ''co-payment.''

Custodial care. Care rendered to a patient:

(i) who is disabled mentally or physically and such disability is expected to continue and be prolonged, and

(ii) who requires a protected, monitored, or controlled environment whether in an institution or in the home, and

(iii) who requires assistance to support the essentials of daily living, and

(iv) who is not under active and specific medical, surgical, or psychiatric treatment that will reduce the disability to the extent necessary to enable the patient to function outside the protected, monitored, or controlled environment.

A custodial care determination is not precluded by the fact that a patient is under the care of a supervising or attending physician and that services are being ordered and prescribed to support and generally maintain the patient's condition, or provide for the patient's comfort, or ensure the manageability of the patient. Further, a custodial care determination is not precluded because the ordered and prescribed services and supplies are being provided by an R.N., L.P.N., or L.V.N.

NOTE: The determination of custodial care in no way implies that the care being rendered is not required by the patient; it only means that it is the kind of care that is not covered under CHAMPUS. A program of physical and mental rehabilitation which is designed to reduce a disability is not custodial care as long as the objective of the program is a reduced level of care.

Days. Calendar days.

Deceased service member. A person who, at the time of his or her death, was an active duty member of a Uniformed Service under a call or order that did not specify a period of 30 days or less; or a retiree of a Uniformed Service.

Deductible. Payment by a beneficiary of the first $50 of the CHAMPUS-determined allowable costs or charges for otherwise covered outpatient services or supplies provided in any one fiscal year; or for a family, the aggregate

payment by two or more beneficiaries who submit claims of the first $100.

Deductible certificate. A statement issued to the beneficiary (or sponsor) by a CHAMPUS fiscal intermediary certifying to deductible amounts satisfied by a CHAMPUS beneficiary for any applicable fiscal year.

Defense Enrollment Eligibility Reporting System (DEERS). The automated system that is composed of two phases:

(i) Enrolling all active duty and retired service members, their dependents, and the dependents of deceased service members, and

(ii) Verifying their eligibility for health care benefits in the direct care facilities and through CHAMPUS.

Dental care. Services relating to the teeth and their supporting structures.

Dentist. Doctor of Dental Medicine (D.M.D.) or Doctor of Dental Surgery (D.D.S.) who is licensed to practice dentistry by an appropriate authority.

Dependent. A person who bears any of the following relationships to an active duty member (under a call or order that does not specify a period of 30 days or less), retiree, or deceased active duty member or retiree, of a Uniformed Service, that is, lawful spouse, former spouse (in certain circumstances), unremarried widow or widower, or child; or a spouse and child of an active duty member of the armed forces of foreign North Atlantic Treaty Organization (NATO) nations (refer to § 199.3(b) of this part).

Deserter or desertion status. A service member is a deserter, or in a desertion status, when the Uniformed Service concerned has made an administrative determination to that effect, or the member's period of unauthorized absence has resulted in a court-martial conviction of desertion. Administrative declarations of desertion normally are made when a member has been an unauthorized absentee for over 30 days, but particular circumstances may result in an earlier declaration. Entitlement to CHAMPUS benefits ceases as of 12:01 a.m. on the day following the day the desertion status is declared. Benefits are not to be authorized for treatment received during a period of unauthorized absence that results in a court-martial conviction for desertion. Dependent eligibility for benefits is reestablished when a deserter is returned to military control and continues, even though the member may be in confinement, until any discharge is executed. When a deserter status is later found to have been determined erroneously, the status of deserter is considered never to have existed, and the member's dependents will have been eligible continuously for benefits under CHAMPUS.

Diagnosis-Related Groups (DRGs). Diagnosis-related groups (DRGs) are a method of dividing hospital patients into clinically coherent groups based on the consumption of resources. Patients are assigned to the groups based on their principal diagnosis (the reason for admission, determined after study), secondary diagnoses, procedures performed, and the patient's age, sex, and discharge status.

Diagnostic admission. An admission to a hospital or other authorized institutional provider, or an extension of a stay in such a facility, primarily for the purpose of performing diagnostic tests, examinations, and procedures.

Director, OCHAMPUS. An authority of the Director, OCHAMPUS includes any person designated by the Director, OCHAMPUS to exercise the authority involved.

Doctor of Dental Medicine (D.M.D.). A person who has received a degree in dentistry, that is, that department of the healing arts which is concerned with the teeth, oral cavity, and associated structures.

Doctor of Medicine (M.D.). A person who has graduated from a college of allopathic medicine and who is entitled legally to use the designation M.D.

Doctor of Osteopathy (D.O.). A practitioner of osteopathy, that is, a system of therapy based on the theory that the body is capable of making its own remedies against disease and other toxic conditions when it is in normal structural relationship and has favorable environmental conditions and adequate nutrition. It utilizes generally accepted physical, medicinal, and surgical methods of diagnosis and therapy, while placing chief emphasis on the importance of normal body mechanics and manipulative methods of detecting and correcting faulty structure.

Domiciliary care. Inpatient institutional care provided the beneficiary not because it is medically necessary, but because the care in the home setting is not available, is unsuitable, or members of the patient's family are unwilling to provide the care. Institutionalization because of abandonment constitutes domiciliary care.

NOTE: The terms ''domiciliary'' and ''custodial care'' represent separate concepts and are not interchangeable. Domiciliary care is not covered under either the CHAMPUS Basic Program or the Program for Persons with Disabilities (PFPWD).

Donor. An individual who supplies living tissue or material to be used in another body, such as a person who furnishes a kidney for renal transplant.

Double coverage. When a CHAMPUS beneficiary also is enrolled in another insurance, medical service, or health plan that duplicates all or part of a beneficiary's CHAMPUS benefits.

Double coverage plan. The specific insurance, medical service, or health plan under which a CHAMPUS beneficiary has entitlement to medical beneifts that duplicate CHAMPUS benefits in whole or in part. Double coverage plans do not include:

(i) Medicaid.

(ii) Coverage specifically designed to supplement CHAMPUS benefits.

(iii) Entitlement to receive care from the Uniformed Services medical facilities; or

(iv) Entitlement to receive care from Veterans Administration medical care facilities.

Dual Compensation. Federal Law (5 U.S.C. 5536) prohibits active duty members or civilian employees of the United States Government from receiving additional compensation from the government above their normal pay and allowances. This prohibition applies to CHAMPUS cost-sharing of medical care provided by active duty members or civilian government employees to CHAMPUS beneficiaries.

Durable equipment. A device or apparatus which does not qualify as Durable Medical Equipment (as defined in this section), and which is essential to the efficient arrest or reduction of functional loss resulting from a qualifying condition as provided by § 199.5.

Durable medical equipment. Equipment for which the allowable charge is over $100 and which:

(1) Is medically necessary for the treatment of a covered illness or injury;

(2) Improves the function of a malformed, diseased, or injured body part, or retards further deterioration of a patient's physical condition;

(3) Is primarily and customarily designed and intended to serve a medical purpose rather than primarily for transportation, comfort, or convenience;

(4) Can withstand repeated use;

(5) Provides the medically appropriate level of performance and quality for the medical condition present (that is, nonluxury and nondeluxe);

(6) Is other than spectacles, eyeglasses, contact lenses, or other optical devices; hearing aids; or other communication devices; and

(7) Is other than exercise equipment, spas, whirlpools, hot tubs, swimming pools or other such items.

Emergency inpatient admission. An unscheduled, unexpected, medically necessary admission to a hospital or other authorized institutional provider for treatment of a medical condition meeting the definition of medical emergency and which is determined to require immediate inpatient treatment by the attending physician.

Entity. For purposes of § 199.9(f)(1), ''entity'' includes a corporation, trust, partnership, sole proprietorship or other kind of business enterprise that is or may be eligible to receive reimbursement either directly or indirectly from CHAMPUS.

Essentials of daily living. Care that consists of providing food (including special diets), clothing, and shelter; personal hygiene services; observation and general monitoring; bowel training or management; safety precautions; general preventive procedures (such as turning to prevent bedsores); passive exercise; companionship; recreation; transportation; and such other elements of personal care that reasonably can be performed by an untrained adult with minimal instruction or supervision.

External Partnership Agreement. The External Partnership Agreement is an

agreement between a military treatment facility commander and a CHAMPUS authorized institutional provider, enabling Uniformed Services health care personnel to provide otherwise covered medical care to CHAMPUS beneficiaries in a civilian facility under the Military-Civilian Health Services Partnership Program. Authorized costs associated with the use of the facility will be financed through CHAMPUS under normal cost-sharing and reimbursement procedures currently applicable under the basic CHAMPUS.

External Resource Sharing Agreement. A type External Partnership Agreement, established in the context of the TRICARE program by agreement of a military medical treatment facility commander and an authorized TRICARE contractor. External Resource Sharing Agreements may incorporate TRICARE features in lieu of standard CHAMPUS features that would apply to standard External Partnership Agreements.

Extramedical individual providers of care. Individuals who do counseling or nonmedical therapy and whose training and therapeutic concepts are outside the medical field, as specified in § 199.6 of this part.

Former spouse. A former husband or wife of a Uniformed Service member or former mmeber who meets the criteria as set forth in § 199.3(b)(2)(ii) of this part.

Fraud. For purposes of this part, fraud is defined as (1) a deception or misrepresentation by a provider, beneficiary, sponsor, or any person acting on behalf of a provider, sponsor, or beneficiary with the knowledge (or who had reason to know or should have known) that the deception or misrepresentation could result in some unauthorized CHAMPUS benefit to self or some other person, or some unauthorized CHAMPUS payment, or (2) a claim that is false or fictitious, or includes or is supported by any written statement which asserts a material fact which is false or fictitious, or includes or is supported by any written statement that (a) omits a material fact and (b) is false or fictitious as a result of such omission and (c) is a statement in which the person making, presenting, or submitting such statement has a duty to include such material fact. It is presumed that, if a deception or misrepresentation is established *and* a CHAMPUS claim is filed, the person responsible for the claim had the requisite knowledge. This presumption is rebuttable only by substantial evidence. It is further presumed that the provider of the services is responsible for the actions of all individuals who file a claim on behalf of the provider (for example, billing clerks); this presumption may only be rebutted by clear and convincing evidence.

Freestanding. Not ''institution-affiliated'' or ''institution-based.''

Full-time course of higher education. A complete, progressive series of studies to develop attributes such as knowledge, skill, mind, and character, by formal schooling at a college or university, and which meets the criteria set out in § 199.3 of this part. To qualify as full-time, the student must be carrying a course load of a minimum of 12 credit hours or equivalent each semester.

General staff nursing service. All nursing care (other than that provided by private duty nurses) including, but not limited to, general duty nursing, emergency room nursing, recovery room nursing, intensive nursing care, and group nursing arrangements performed by nursing personnel on the payroll of the hospital or other authorized institution.

Good faith payments. Those payments made to civilian sources of medical care who provided medical care to persons purporting to be eligible beneficiaries but who are determined later to be ineligible for CHAMPUS benefits. (The ineligible person usually possesses an erroneous or illegal identification card.) To be considered for good faith payments, the civilian source of care must have exercised reasonable precautions in identifying a person claiming to be an eligible beneficiary.

Habilitation. The provision of functional capacity, absent from birth due to congenital anomaly or developmental disorder, which facilitates performance of an activity in the manner, or within the range considered normal, for a human being.

Handicap. For the purposes of this part, the term ''handicap'' is synonymous with the term ''disability.''

High-risk pregnancy. A pregnancy is high-risk when the presence of a currently active or previously treated medical, anatomical, physiological illness or condition may create or increase the likelihood of a detrimental effect on the mother, fetus, or newborn and presents a reasonable possibility of the development of complications during labor or delivery.

Hospice care. Hospice care is a program which provides an integrated set of services and supplies designed to care for the terminally ill. This type of care emphasizes palliative care and supportive services, such as pain control and home care, rather than cure-oriented services provided in institutions that are otherwise the primary focus under CHAMPUS. The benefit provides coverage for a humane and sensible approach to care during the last days of life for some terminally ill patients.

Hospital, acute care (general and special). An institution that meets the criteria as set forth in § 199.6(b)(4)(i) of this part.

Hospital, long-term (tuberculosis, chronic care, or rehabilitation). An institution that meets the criteria as set forth in § 199.6(b)(4)(iii) of this part.

Hospital, phychiatric. An institution that meets the criteria as set forth in § 199.6(b)(4)(ii) of this part.

Illegitimate child. A child not recognized as a lawful offspring; that is, a child born of parents not married to each other.

Immediate family. The spouse, natural parent, child and sibling, a dopted child and adoptive parent, stepparent, stepchild, grandparent, grandchild, stepbrother and stepsister, father-in-law, mother-in-law of the beneficiary, or provider, as appropriate. For purposes of this definition only, to determine who may render services to a beneficiary, the step-relationship continues to exist even if the marriage upon which the relationship is based terminates through divorce or death of one of the parents.

Independent laboratory. A freestanding laboratory approved for participation under Medicare and certified by the Health Care Financing Administration.

Infirmaries. Facilities operated by student health departments of colleges and universities to provide inpatient or outpatient care to enrolled students. When specifically approved by the Director, OCHAMPUS, or a designee, a boarding school infirmary also is included.

Initial determination. A formal written decision on a CHAMPUS claim, a request for benefit authorization, a request by a provider for approval as an authorized CHAMPUS provider, or a decision disqualifying or excluding a provider as an authorized provider under CHAMPUS. Rejection of a claim or a request for benefit or provider authorization for failure to comply with administrative requirements, including failure to submit reasonably requested information, is not an initial determination. Responses to general or specific inquiries regarding CHAMPUS benefits are not initial determinations.

In-out surgery. Surgery performed in the outpatient department of a hospital or other institutional provider, in a physician's office or the office of another individual professional provider, in a clinic, or in a ''freestanding'' ambulatory surgical center which does not involve a formal inpatient admission for a period of 24 hours or more.

Inpatient. A patient who has been admitted to a hospital or other authorized institution for bed occupancy for purposes of receiving necessary medical care, with the reasonable expectation that the patient will remain in the institution at least 24 hours, and with the registration and assignment of an inpatient number or designation. Institutional care in connection with in and out (ambulatory) surgery is not included within the meaning of inpatient whether or not an inpatient number or designation is made by the hospital or other institution. If the patient has been received at the hospital, but death occurs before the actual admission occurs, an inpatient admission exists as if the patient had lived and had been formally admitted.

Institution-affiliated. Related to a CHAMPUS-authorized institutional provider through a shared governing

body but operating under a separate and distinct license or accreditation.

Institution-based. Related to a CHAMPUS-authorized institutional provider through a shared governing body and operating under a common license and shared accreditation.

Institutional provider. A health care provider which meets the applicable requirements established by § 199.6(b) of this part.

Intensive care unit (ICU). A special segregated unit of a hospital in which patients are concentrated by reason of serious illness, usually without regard to diagnosis. Special lifesaving techniques and equipment regularly and immediately are available within the unit, and patients are under continuous observation by a nursing staff specially trained and selected for the care of this type patient. The unit is maintained on a continuing rather than an intermittent or temporary basis. It is not a postoperative recovery room nor a postanesthesia room. In some large or highly specialized hospitals, the ICUs may be further refined for special purposes, such as for respiratory conditions, cardiac surgery, coronary care, burn care, or neurosurgery. For the purposes of CHAMPUS, these specialized units would be considered ICUs if they otherwise conformed to the definition of an ICU.

Intern. A graduate of a medical or dental school serving in a hospital in preparation to being licensed to practice medicine or dentistry.

Internal Partnership Agreement. The Internal Partnership Agreement is an agreement between a military treatment facility commander and a CHAMPUS-authorized civilian health care provider which enables the use of civilian health care personnel or other resources to provide medical care to CHAMPUS beneficiaries on the premises of a military treatment facility under the Military-Civilian Health Services Partnership Program. These internal agreements may be established when a military treatment facility is unable to provide sufficient health care services for CHAMPUS beneficiaries due to shortages of personnel and other required resources.

Internal Resource Sharing Agreement. A type of Internal Partnership Agreement, established in the context of the TRICARE program by agreement of a military medical treatment facility commander and authorized TRICARE contractor. Internal Resource Sharing Agreements may incorporate TRICARE features in lieu of standard CHAMPUS features that would apply to standard Internal Partnership Agreements.

Item, Service, or Supply. Includes (1) any item, device, medical supply, or service claimed to have been provided to a beneficiary (patient) and listed in an itemized claim for CHAMPUS payment or a request for payment, or (2) in the case of a claim based on costs, any entry or omission in a cost report, books of account, or other documents supporting the claim.

Laboratory and pathological services. Laboratory and pathological examinations (including machine diagnostic tests that produce hard-copy results) when necessary to, and rendered in connection with medical, obstetrical, or surgical diagnosis or treatment of an illness or injury, or in connection with well-baby care.

Legitimized child. A formerly illegitimate child who is considered legitimate by reason of qualifying actions recognized in law.

Licensed practical nurse (L.P.N.). A person who is prepared specially in the scientific basis of nursing; who is a graduate of a school of practical nursing; whose qualifications have been examined by a state board of nursing; and who has been authorized legally to practice as an L.P.N. under the supervision of a physician.

Licensed vocational nurse (L.V.N.) A person who specifically is prepared in the scientific basis or nursing; who is a graduate of a school of vocational nursing; whose qualifications have been examined by a state board of nursing; and who has been authorized legally to practice as a L.V.N. under the supervision of a physician.

Long-term hospital care. Any inpatient hospital stay that exceeds 30 days.

Low-risk pregnancy. A pregnancy is low-risk when the basis for the ongoing clinical expectation of a normal uncomplicated birth, as defined by reasonable and generally accepted criteria

of maternal and fetal health, is documented throughout a generally accepted course of prenatal care.

Major life activity. Breathing, cognition, hearing, seeing, and age appropriate ability essential to bathing, dressing, eating, grooming, speaking, stair use, toilet use, transferring, and walking.

Marriage and family therapist, certified. An extramedical individual provider who meets the requirements outlined in § 199.6.

Maternity care. Care and treatment related to conception, delivery, and abortion, including prenatal and postnatal care (generally through the 6th post-delivery week), and also including treatment of the complications of pregnancy.

Medicaid. Those medical benefits authorized under Title XIX of the Social Security Act provided to welfare recipients and the medically indigent through programs administered by the various states.

Medical. The generally used term which pertains to the diagnosis and treatment of illness, injury, pregnancy, and mental disorders by trained and licensed or certified health professionals. For purposes of CHAMPUS, the term ''medical'' should be understood to include ''medical, psychological, surgical, and obstetrical,'' unless it is specifically stated that a more restrictive meaning is intended.

Medical emergency. The sudden and unexpected onset of a medical condition or the acute exacerbation of a chronic condition that is threatening to life, limb, or sight, and requires immediate medical treatment or which manifests painful symptomatology requiring immediate palliative efforts to alleviate suffering. Medical emergencies include heart attacks, cardiovascular accidents, poisoning, convulsions, kidney stones, and such other acute medical conditions as may be determined to be medical emergencies by the Director, OCHAMPUS, or a designee. In the case of a pregnancy, a medical emergency must involve a sudden and unexpected medical complication that puts the mother, the baby, or both, at risk. Pain would not, however, qualify a maternity case as an emergency, nor would incipient birth after the 34th week of gestation, unless an otherwise qualifying medical condition is present. Examples of medical emergencies related to pregnancy or delivery are hemorrhage, ruptured membrane with prolapsed cord, placenta previa, abruptio placenta, presence of shock or unconsciousness, suspected heart attack or stroke, or trauma (such as injuries received in an automobile accident).

Medical supplies and dressings (consumables). Necessary medical or surgical supplies (exclusive of durable medical equipment) that do not withstand prolonged, repeated use and that are needed for the proper medical management of a condition for which benefits are otherwise authorized under CHAMPUS, on either an inpatient or outpatient basis. Examples include disposable syringes for a diabetic, colostomy sets, irrigation sets, and ace bandages.

Medically or psychologically necessary. The frequency, extent, and types of medical services or supplies which represent appropriate medical care and that are generally accepted by qualified professionals to be reasonable and adequate for the diagnosis and treatment of illness, injury, pregnancy, and mental disorders or that are reasonable and adequate for well-baby care.

Medicare. These medical benefits authorized under Title XVIII of the Social Security Act provided to persons 65 or older, certain disabled persons, or persons with chronic renal disease, through a national program administered by the DHHS, Health Care Financing Administration, Medicare Bureau.

Mental disorder. For purposes of the payment of CHAMPUS benefits, a mental disorder is a nervous or mental condition that involves a clinically significant behavioral or psychological syndrome or pattern that is associated with a painful symptom, such as distress, *and* that impairs a patient's ability to function in one or more major life activities. Additionally, the mental disorder must be one of those conditions listed in the DSM–III.

Mental health counselor. An extramedical individual provider who meets the requirements outlined in § 199.6.

Mental health therapeutic absence. A therapeutically planned absence from the inpatient setting. The patient is not discharged from the facility and may be away for periods of several hours to several days. The purpose of the therapeutic absence is to give the patient an opportunity to test his or her ability to function outside the inpatient setting before the actual discharge.

Missing in action (MIA). A battle casualty whose whereabouts and status are unknown, provided the absence appears to be involuntary and the service member is not known to be in a status of unauthorized absence.

NOTE: Claims for eligible CHAMPUS beneficiaries whose sponsor is classified as MIA are processed as dependents of an active duty service member.

Morbid obesity. The body weight is 100 pounds over ideal weight for height and bone structure, according to the most current Metropolitan Life Table, and such weight is in association with severe medical conditions known to have higher mortality rates in association with morbid obesity; or, the body weight is 200 percent or more of the ideal weight for height and bone structure according to the most current Metropolitan Life Table. The associated medical conditions are diabetes mellitus, hypertension, cholecystitis, narcolepsy, pickwickian syndrome (and other severe respiratory diseases), hypothalmic disorders, and severe arthritis of the weight-bearing joints.

Most-favored rate. The lowest usual charge to any individual or third-party payer in effect on the date of the admission of a CHAMPUS beneficiary.

Natural childbirth. Childbirth without the use of chemical induction or augmentation of labor or surgical procedures other than episiotomy or perineal repair.

Naturopath. A person who practices naturopathy, that is, a drugless system of therapy making use of physical forces such as air, light, water, heat, and massage.

NOTE: Services of a naturopath are not covered by CHAMPUS.

NAVCARE clinics. Contractor owned, staffed, and operated primary clinics exclusively serving uniformed services beneficiaries pursuant to contracts awarded by a Military Department.

Nonavailability statement. A certification by a commander (or a designee) of a Uniformed Services medical treatment facility, recorded on DEERS, generally for the reason that the needed medical care being requested by a non-TRICARE Prime enrolled beneficiary cannot be provided at the facility concerned because the necessary resources are not available in the time frame needed.

Nonparticipating provider. A hospital or other authorized institutional provider, a physician or other authorized individual professional provider, or other authorized provider that furnished medical services or supplies to a CHAMPUS beneficiary, but who did not agree on the CHAMPUS claim form to participate or to accept the CHAMPUS-determined allowable cost or charge as the total charge for the services. A nonparticipating provider looks to the beneficiary or sponsor for payment of his or her charge, not CHAMPUS. In such cases, CHAMPUS pays the beneficiary or sponsor, not the provider.

North Atlantic Treaty Organization (NATO) member. A military member of an armed force of a foreign NATO nation who is on active duty and who, in connection with official duties, is stationed in or passing through the United States. The foreign NATO nations are Belgium, Canada, Denmark, France, Federal Republic of Germany, Greece, Iceland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Turkey, and the United Kingdom.

Not-for-profit entity. An organization or institution owned and operated by one or more nonprofit corporations or associations formed pursuant to applicable state laws, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

Occupational therapist. A person who is trained specially in the skills and techniques of occupational therapy (that is, the use of purposeful activity with individuals who are limited by physical injury of illness, psychosocial dysfunction, developmental or learning disabilities, poverty and cultural differences, or the aging process in order

to maximize independence, prevent disability, and maintain health) and who is licensed to administer occupational therapy treatments prescribed by a physician.

Official formularies. A book of official standards for certain pharmaceuticals and preparations that are not included in the *U.S. Pharmacopeia.*

Optometrist (Doctor of Optometry). A person trained and licensed to examine and test the eyes and to treat visual defects by prescribing and adapting corrective lenses and other optical aids, and by establishing programs of exercises.

Oral surgeon (D.D.S. or D.M.D.). A person who has received a degree in dentistry and who limits his or her practice to oral surgery, that is, that branch of the healing arts that deals with the diagnosis and the surgical correction and adjunctive treatment of diseases, injuries, and defects of the mouth, the jaws, and associated structures.

Orthopedic shoes. Shoes prescribed by an orthopedic surgeon to effect changes in foot or feet position and alignment and which are not an integral part of a brace.

Other allied health professionals. Individual professional providers other than physicians, dentists, or extramedical individual providers, as specified in § 199.6 of this part.

Other special institutional providers. Certain specialized medical treatment facilities, either inpatient or outpatient, other than those specifically defined, that provide courses of treatment prescribed by a doctor of medicine or osteopathy; when the patient is under the supervision of a doctor of medicine or osteopathy during the entire course of the inpatient admission or the outpatient treatment; when the type and level of care and services rendered by the institution are otherwise authorized in this Regulation; when the facility meets all licensing or other certification requirements that are extant in the jurisdiction in which the facility is located geographically; which is accredited by the Joint Commission on Accreditation if an appropriate accreditation program for the given type of facility is available; and which is not a nursing home, intermediate facility, halfway house, home for the aged, or other institution of similar purpose.

Outpatient. A patient who has not been admitted to a hospital or other authorized institution as an inpatient.

Ownership or control interest. For purposes of § 199.9(f)(1), a ''person with an ownership or control interest'' is anyone who

(1) Has directly or indirectly a 5 percent or more ownership interest in the entity; or

(2) Is the owner of a whole or part interest in any mortgage, deed of trust, note, or other obligation secured (in whole or in part) by the entity or any of the property or assets thereof, which whole or part interest is equal to or exceeds 5 percent of the total property and assets of the entity; or

(3) Is an officer or director of the entity if the entity is organized as a corporation; or

(4) Is a partner in the entity if the entity is organized as a partnership.

Partial hospitalization. A treatment setting capable of providing an interdisciplinary program of medical therapeutic services at least 3 hours per day, 5 days per week, which may embrace day, evening, night and weekend treatment programs which employ an integrated, comprehensive and complementary schedule of recognized treatment approaches. Partial hospitalization is a time-limited, ambulatory, active treatment program that offers therapeutically intensive, coordinated, and structured clinical services within a stable therapeutic environment. Partial hospitalization is an appropriate setting for crisis stabilization, treatment of partially stabilized mental health disorders, and a transition from an inpatient program when medically necessary. Such programs must enter into a participation agreement with CHAMPUS, and be accredited and in substantial compliance with the standards of the Mental Health Manual of the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) (formerly known as the Consolidated Standards).

Participating Provider. A hospital or other authorized institutional provider, a physician or other authorized individual professional provider, or

other authorized provider that furnished services or supplies to a CHAMPUS beneficiary and that submits a CHAMPUS claim form and accepts assignment of the CHAMPUS-determined allowable cost or charge as the total payment (even though less than the actual charge), whether paid for fully by the CHAMPUS allowable amount or requiring cost-sharing by the beneficiary (or sponsor). See § 199.6(a)(8) for more information of the Participating Provider Program.

Party to a hearing. An appealing party or parties and CHAMPUS.

Party to the initial determination. Includes CHAMPUS and also refers to a CHAMPUS beneficiary and a participating provider of services whose interests have been adjudicated by the initial determination. In addition, a provider who has been denied approval as an authorized CHAMPUS provider is a party to that initial determination, as is a provider who is disqualified or excluded as an authorized provider under CHAMPUS, unless the provider is excluded based on a determination of abuse or fraudulent practices or procedures under another federal or federally funded program. See § 199.10 for additional information concerning parties not entitled to administrative review under the CHAMPUS appeals and hearing procedures.

Pastoral counselor. An extramedical individual provider who meets the requirements outlined in § 199.6.

Pharmacist. A person who is trained specially in the scientific basis of pharmacology and who is licensed to prepare and sell or dispense drugs and compounds and to make up prescriptions ordered by a physician.

Physical medicine services or physiatry services. The treatment of disease or injury by physical means such as massage, hydrotherapy, or heat.

Physical therapist. A person who is trained specially in the skills and techniques of physical therapy (that is, the treatment of disease by physical agents and methods such as heat, massage, manipulation, therapeutic exercise, hydrotherapy, and various forms of energy such as electrotherapy and ultrasound), who has been authorized legally (that is, registered) to administer treatments prescribed by a physician and who is entitled legally to use the designation ''Registered Physical Therapist.'' A physical therapist also may be called a physiotherapist.

Physician. A person with a degree of Doctor of Medicine (M.D.) or Doctor of Osteopathy (D.O.) who is licensed to practice medicine by an appropriate authority.

Physician in training. Interns, residents, and fellows participating in approved postgraduate training programs and physicians who are not in approved programs but who are authorized to practice only in a hospital or other institutional provider setting, e.g., individuals with temporary or restricted licenses, or unlicensed graduates of foreign medical schools.

Podiatrist (Doctor of Podiatry or Surgical Chiropody). A person who has received a degree in podiatry (formerly called chiropody), that is, that specialized field of the healing arts that deals with the study and care of the foot, including its anatomy, pathology, and medical and surgical treatment.

Preauthorization. A decision issued in writing by the Director, OCHAMPUS, or a designee, that CHAMPUS benefits are payable for certain services that a beneficiary has not yet received.

Prescription drugs and medicines. Drugs and medicines which at the time of use were approved for commercial marketing by the U.S. Food and Drug Administration, and which, by law of the United States, require a physician's or dentist's prescription, except that it includes insulin for known diabetics whether or not a prescription is required. Drugs grandfathered by the Federal Food, Drug and Cosmetic Act of 1938 may be covered under CHAMPUS as if FDA approved.

NOTE: The fact that the U.S. Food and Drug Administration has approved a drug for testing on humans would not qualify it within this definition.

Preventive care. Diagnostic and other medical procedures not related directly to a specific illness, injury, or definitive set of symptoms, or obstetrical care, but rather performed as periodic health screening, health assessment, or health maintenance.

Primary payer. The plan or program whose medical benefits are payable first in a double coverage situation.

PRIMUS clinics. Contractor owned, staffed, and operated primary care clinics exclusively serving uniformed services beneficiaries pursuant to contracts awarded by a Military Department.

Private duty (special) nursing services. Skilled nursing services rendered to an individual patient requiring intensive medical care. Such private duty (special) nursing must be by an actively practicing registered nurse (R.N.) or licensed practical or vocational nurse (L.P.N. or L.V.N.) only when the medical condition of the patient requires intensive skilled nursing services (rather than primarily providing the essentials of daily living) and when such skilled nursing care is ordered by the attending physician.

Private room. A room with one bed that is designated as a private room by the hospital or other authorized institutional provider.

Program for Persons with Disabilities PFPWD). The CHAMPUS benefits described in § 199.5.

Progress notes. Progress notes are an essential component of the medical record wherein health care personnel provide written evidence of ordered and supervised diagnostic tests, treatments, medical procedures, therapeutic behavior and outcomes. In the case of mental health care, progress notes must include: the date of the therapy session; length of the therapy session; a notation of the patient's signs and symptoms; the issues, pathology and specific behaviors addressed in the therapy session; a statement summarizing the therapeutic interventions attempted during the therapy session; descriptions of the response to treatment, the outcome of the treatment, and the response to significant others; and a statement summarizing the patient's degree of progress toward the treatment goals. Progress notes do not need to repeat all that was said during a therapy session but must document a patient contact and be sufficiently detailed to allow for both peer review and audits to substantiate the quality and quantity of care rendered.

Prosthetic device (prosthesis). An artificial substitute for a missing body part.

Provider. A hospital or other institutional provider, a physician, or other individual professional provider, or other provider of services or supplies as specified in § 199.6 of this part.

Provider exclusion and suspension. The terms ''exclusion'' and ''suspension'', when referring to a provider under CHAMPUS, both mean the denial of status as an authorized provider, resulting in items, services, or supplies furnished by the provider not being reimbursed, directly or indirectly, under CHAMPUS. The terms may be used interchangeably to refer to a provider who has been denied status as an authorized CHAMPUS provider based on (1) a criminal conviction or civil judgment involving fraud, (2) an administrative finding of fraud or abuse under CHAMPUS, (3) an administrative finding that the provider has been excluded or suspended by another agency of the Federal Government, a state, or a local licensing authority, (4) an administrative finding that the provider has knowingly participated in a conflict of interest situation, or (5) an administrative finding that it is in the best interests of the CHAMPUS or CHAMPUS beneficiaries to exclude or suspend the provider.

Provider termination. When a provider's status as an authorized CHAMPUS provider is ended, other than through exclusion or suspension, based on a finding that the provider does not meet the qualifications, as set forth in § 199.6 of this part, to be an authorized CHAMPUS provider.

Psychiatric emergency. A psychiatric inpatient admission is an emergency when, based on a psychiatric evaluation performed by a physician (or other qualified mental health care professional with hospital admission authority), the patient is at immediate risk of serious harm to self or others as a result of a mental disorder and requires immediate continuous skilled observation at the acute level of care.

Public facility. A public authority or entity legally constituted within a State (as defined in this section) to administer, control or perform a service function for public health, education or human services programs in a city, county, or township, special district, or other political subdivision, or such combination of political subdivisions or special districts or counties as are

recognized as an administrative agency for a State's public health, education or human services programs, or any other public institution or agency having administrative control and direction of a publicly funded health, education or human services program.

Public facility adequacy. An available public facility shall be considered adequate when the Director, OCHAMPUS, or designee, determines that the quality, quantity, and frequency of an available service or item otherwise allowable as a CHAMPUS benefit is sufficient to meet the beneficiary's specific disability related need in a timely manner.

Public facility availability. A public facility shall be considered available when the public facility usually and customarily provides the requested service or item to individuals with the same or similar disability related need as the otherwise equally qualified CHAMPUS beneficiary.

Radiation therapy services. The treatment of diseases by x-ray, radium, or radioactive isotopes when ordered by the attending physician.

Rare Diseases. CHAMPUS defines a rare disease as one which affects fewer than one in 200,000 Americans.

Referral. The act or an instance of referring a CHAMPUS beneficiary to another authorized provider to obtain necessary medical treatment. Under CHAMPUS, only a physician may make referrals.

Registered nurse. A person who is prepared specially in the scientific basis of nursing, who is a graduate of a school of nursing, and who is registered for practice after examination by a state board of nurse examiners or similar regulatory authority, who holds a current, valid license, and who is entitled legally to use the designation R.N.

Rehabilitation. The reduction of an acquired loss of ability to perform an activity in the manner, or within the range considered normal, for a human being.

Reliable evidence. (1) As used in § 199.4(g)(15), the term reliable evidence means only:

(i) Well controlled studies of clinically meaningful endpoints, published in refereed medical literature.

(ii) Published formal technology assessments.

(iii) The published reports of national professional medical associations.

(iv) Published national medical policy organization positions; and

(v) The published reports of national expert opinion organizations.

(2) The hierarchy of reliable evidence of proven medical effectiveness, established by (1) through (5) of this paragraph, is the order of the relative weight to be given to any particular source. With respect to clinical studies, only those reports and articles containing scientifically valid data and published in the refereed medical and scientific literature shall be considered as meeting the requirements of reliable evidence. Specifically not included in the meaning of reliable evidence are reports, articles, or statements by providers or groups of providers containing only abstracts, anecdotal evidence or personal professional opinions. Also not included in the meaning of reliable evidence is the fact that a provider or a number of providers have elected to adopt a drug, device, or medical treatment or procedure as their personal treatment or procedure of choice or standard of practice.

Representative. Any person who has been appointed by a party to the initial determination as counsel or advisor and who is otherwise eligible to serve as the counsel or advisor of the party to the initial determination, particularly in connection with a hearing.

Resident (medical). A graduate physician or dentist who has an M.D. or D.O. degree, or D.D.S. or D.M.D. degree, respectively, is licensed to practice, and who choose to remain on the house staff of a hospital to get further training that will qualify him or her for a medical or dental specialty.

Residential treatment center (RTC). A facility (or distinct part of a facility) which meets the criteria in § 199.6(b)(4)(v).

Respite care. Respite care is short-term care for a patient in order to provide rest and change for those who have been caring for the patient at home, usually the patient's family.

Retiree. A member or former member of a Uniformed Service who is entitled

to retired, retainer, or equivalent pay based on duty in a Uniformed Service.

Routine eye examinations. The services rendered in order to determine the refractive state of the eyes.

Sanction. For purpose of § 199.9, ''sanction'' means a provider exclusion, suspension, or termination.

Secondary payer. The plan or program whose medical benefits are payable in double coverage situations only after the primary payer has adjudicated the claim.

Semiprivate room. A room containing at least two beds. If a room is designated publicly as a semiprivate accommodation by the hospital or other authorized institutional provider and contains multiple beds, it qualifies as a semiprivate room for the purposes of CHAMPUS.

Serious physical disability. Any physiological disorder or condition or anatomical loss affecting one or more body systems which has lasted, or with reasonable certainty is expected to last, for a minimum period of 12 contiguous months, and which precludes the person with the disorder, condition or anatomical loss from unaided performance of at least one Major Life Activity as defined in this section.

Skilled nursing facility. An institution (or a distinct part of an institution) that meets the criteria as set forth in § 199.6(b)(4)(iv) of this part.

Skilled nursing service. A service that can only be furnished by an R.N., or L.P.N. or L.V.N., and is required to be performed under the supervision of a physician to ensure the safety of the patient and achieve the medically desired result. Examples of skilled nursing services are intravenous for intramuscular injections, levin tube or gastrostomy feedings, or tracheotomy aspiration and insertion. Skilled nursing services are other than those services that provide primarily support for the essentials of daily living or that could be performed by an untrained adult with minimum instruction or supervision.

Specialized Treatment Service Facility. A military or civilian medical treatment facility specifically designated pursuant to § 199.4(a)(10) to be a referral facility for certain highly specialized care. For this purpose, a civilian medical treatment facility may be another federal facility (such as a Department of Veterans Affairs hospital).

Spectacles, eyeglasses, and lenses. Lenses, including contact lenses, that help to correct faulty vision.

Sponsor. An active duty member, retiree, or deceased active duty member or retiree, of a Uniformed Service upon whose status his or her dependents' eligibility for CHAMPUS is based.

Spouse. A lawful wife or husband regardless of whether or not dependent upon the active duty member or retiree.

State. For purposes of this part, any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, and each territory and possession of the United States.

State Victims of Crime Compensation Programs. Benefits available to victims of crime under the Violent Crime Control and Law Enforcement Act.

Student status. A dependent of a member or former member of a Uniformed Service who has not passed his or her 23rd birthday, and is enrolled in a full-time course of study in an institution of higher learning.

Supplemental insurance plan. A health insurance policy or other health benefit plan offered by a private entity to a CHAMPUS beneficiary, that primarily is designed, advertised, marketed, or otherwise held out as providing payment for expenses incurred for services and items that are not reimbursed under CHAMPUS due to program limitations, or beneficiary liabilities imposed by law. CHAMPUS recognizes two types of supplemental plans, general indemnity plans, and those offered through a direct service health maintenance organization (HMO).

(1) An indemnity supplemental insurance plan must meet all of the following criteria:

(i) It provides insurance coverage, regulated by state insurance agencies, which is available only to beneficiaries of CHAMPUS.

(ii) It is premium based and all premiums relate only to the CHAMPUS supplemental coverage.

(iii) Its benefits for all covered CHAMPUS beneficiaries are predominantly limited to non-covered services, to the deductible and cost-shared portions of the pre-determined allowable charges, and/or to amounts exceeding the allowable charges for covered services.

(iv) It provides insurance reimbursement by making payment directly to the CHAMPUS beneficiary or to the participating provider.

(v) It does not operate in a manner which results in lower deductibles or cost-shares than those imposed by law, or that waives the legally imposed deductibles or cost-shares.

(2) A supplemental insurance plan offered by a Health Maintenance Organization (HMO) must meet all of the following criteria:

(i) The HMO must be authorized and must operate under relevant provisions of state law.

(ii) The HMO supplemental plan must be premium based and all premiums must relate only to CHAMPUS supplemental coverage.

(iii) The HMO's benefits, above those which are directly reimbursed by CHAMPUS, must be limited predominantly to services not covered by CHAMPUS and CHAMPUS deductible and cost-share amounts.

(iv) The HMO must provide services directly to CHAMPUS beneficiaries through its affiliated providers who, in turn, are reimbursed by CHAMPUS.

(v) The HMO's premium structure must be designed so that no overall reduction in the amount of the beneficiary deductibles or cost-shares will result.

Suppliers of portable X-ray services. A supplier that meets the conditions of coverage of the Medicare program, set forth in the Medicare regulations (42 CFR 405.1411 through 405.1416 (as amended)) or the Medicaid program in the state in which the covered service is provided.

Surgery. Medically appropriate operative procedures, including related preoperative and postoperative care; reduction of fractures and dislocations; injections and needling procedures of the joints; laser surgery of the eye; and those certain procedures listed in § 199.4(c)(2)(i) of this part.

Surgical assistant. A physician (or dentist or podiatrist) who assists the operating surgeon in the performance of a covered surgical service when such assistance is certified as necessary by the attending surgeon, when the type of surgical procedure being performed is of such complexity and seriousness as to require a surgical assistant, and when interns, residents, or other house staff are not available to provide the surgical assistance services in the specialty area required.

Suspension of claims processing. The temporary suspension of processing (to protect the government's interests) of claims for care furnished by a specific provider (whether the claims are submitted by the provider or beneficiary) or claims submitted by or on behalf of a specific CHAMPUS beneficiary pending action by the Director, OCHAMPUS, or a designee, in a case of suspected fraud or abuse. The action may include the administrative remedies provided for in § 199.9 or any other Department of Defense issuance (e.g. DoD issuances implementing the Program Fraud Civil Remedies Act), case development or investigation by OCHAMPUS, or referral to the Department of Defense-Inspector General or the Department of Justice for action within their cognizant jurisdictions.

Teaching physician. A teaching physician is any physician whose duties include providing medical training to physicians in training within a hospital or other institutional provider setting.

Timely filing. The filing of CHAMPUS claims within the prescribed time limits as set forth in § 199.7 of this part.

Treatment plan. A detailed description of the medical care being rendered or expected to be rendered a CHAMPUS beneficiary seeking approval for inpatient benefits for which preauthorization is required as set forth in § 199.4(b) of this part. A treatment plan must include, at a minimum, a diagnosis (either ICD–9–CM or DSM–III); detailed reports of prior treatment, medical history, family history, social history, and physical examination; diagnostic test results; consultant's reports (if any); proposed treatment by type (such as surgical, medical, and psychiatric); a description

of who is or will be providing treatment (by discipline or specialty); anticipated frequency, medications, and specific goals of treatment; type of inpatient facility required and why (including length of time the related inpatient stay will be required); and prognosis. If the treatment plan involves the transfer of a CHAMPUS patient from a hospital or another inpatient facility, medical records related to that inpatient stay also are required as a part of the treatment plan documentation.

TRICARE extra plan. The health care option, provided as part of the TRICARE program under § 199.17, under which beneficiaries may choose to receive care in facilities of the uniformed services, or from special civilian network providers (with reduced cost sharing), or from any other CHAMPUS-authorized provider (with standard cost sharing).

TRICARE prime plan. The health care option, provided as part of the TRICARE program under § 199.17, under which beneficiaries enroll to receive all health care from facilities of the uniformed services and civilian network providers (with civilian care subject to substantially reduced cost sharing.

TRICARE program. The program establish under § 199.17.

TRICARE standard plan. The health care option, provided as part of the TRICARE program under § 199.17, under which beneficiaries are eligible for care in facilities of the uniformed services and CHAMPUS under standard rules and procedures.

Uniform HMO benefit. The health care benefit established by § 199.18.

Uniformed Services. The Army, Navy, Air Force, Marine Corps, Coast Guard, Commissioned Corps of the USPHS, and the Commissioned Corps of the NOAA.

Unlabeled or Off-Label Drugs. Food and Drug Administration (FDA) approved drugs that are used for indications or treatments not included in the approved labeling. The drug must be medically necessary for the treatment of the condition for which it is administered, according to accepted standards of medical practice.

Veteran. A person who served in the active military, naval, or air service, and who was discharged or released therefrom under conditions other than dishonorable.

NOTE: Unless the veteran is eligible for ''retired pay,'' ''retirement pay,'' or ''retainer pay,'' which refers to payments of a continuing nature and are payable at fixed intervals from the government for military service neither the veteran nor his or her dependents are eligible for benefits under CHAMPUS.

Well-child care. A specific program of periodic health screening, developmental assessment, and routine immunization for dependents under six years of age.

Widow or widower. A person who was a spouse at the time of death of the active duty member or retiree and who has not remarried.

Worker's compensation benefits. Medical benefits available under any worker's compensation law (including the Federal Employees Compensation Act), occupational disease law, employers liability law, or any other legislation of similar purpose, or under the maritime doctrine of maintenance, wages, and cure.

X-ray services. An x-ray examination from which an x-ray film or other image is produced, ordered by the attending physician when necessary and rendered in connection with a medical or surgical diagnosis or treatment of an illness or injury, or in connection with maternity or well-baby care.

[51 FR 24008, July 1, 1986]

EDITORIAL NOTE: For FEDERAL REGISTER citations affecting § 199.2, see the List of CFR Sections Affected in the Finding Aids section of this volume.

§ 199.3 Eligibility.

(a) *General.* This section sets forth those persons who, by the provisions of 10 U.S.C., chapter 55, and the NATO Status of Forces Agreement, are eligible for CHAMPUS benefits. For additional statements concerning the special requirements of the Program for Persons with Disabilities (PFPWD), refer to § 199.5. A determination that a person is eligible does not entitle such a person automatically to CHAMPUS payments. Other sections of this part set forth additional requirements that must be met before any CHAMPUS

benefits may be extended. Additionally, the use of CHAMPUS may be denied if a Uniformed Services medical facility capable of providing the needed care is available.

(b) *Persons eligible*—(1) *Retiree.* A member or former member of a Uniformed Service who is entitled to retired, retainer, or equivalent pay based on duty in a Uniformed Service.

(2) *Dependent.* A person who bears one of the following relationships to an active duty member (under a call or order that does not specify a period of 30 days or less), to a retiree, to a NATO member who is stationed in or passing through the United States on official business, or to a deceased person who, at the time of death, was an active duty member or a retiree.

NOTE: According to section 767 of the Department of Defense Appropriation Act, 1981, (Pub. L. 96–527), from December 15, 1980, through September 30, 1981, spouses and children of NATO members are eligible only for *outpatient* CHAMPUS benefits while officially accompanying the NATO member who is stationed in or passing through the United States on official business. Availability of benefits after September 30, 1981, will depend on the language of future appropriation acts.

(i) *Spouse.* A lawful husband or wife, regardless of whether or not dependent upon the active duty member or retiree.

(ii) *Former spouse.* There are two groups of former spouses; (*i.e.*, spouses who were married to a military member or former member but whose marriage has been terminated by a final decree of divorce, dissolution, or annulment). To be eligible for CHAMPUS benefits a former spouse must meet the criteria of paragraphs (b)(2)(ii)(A) through (b)(2)(ii)(E) of this section and must qualify under either the group defined in paragraph (b)(2)(ii)(F)(*1*) or (b)(2)(ii)(F)(*2*) of this section.

(A) Must be unremarried;

(B) Must not be covered by an employer-sponsored health plan;

(C) Must have been married to a member or former member who performed at least 20 years of service which can be credited in determining the member's or former member's eligibility for retired or retainer pay;

(D) Must not be eligible for part A of title XVIII of the Social Security Act (Medicare);

(E) Must not be the dependent of a NATO member;

(F) Must meet the requirements of either paragraph (b)(2)(ii)(F)(*1*), or (b)(2)(ii)(F)(*2*) of this section.

(*1*) The former spouse must have been married to the same member or former member for at least 20 years, at least 20 of which were creditable in determining the member's or former member's eligibility for retired or retainer pay. Eligibility continues indefinitely unless affected by any of the conditions in paragraphs (b)(2)(ii)(A) through (b)(2)(ii)(E) of this section.

(*i*) If the date of the final decree of divorce, dissolution, or annulment is before February 1, 1983, the former spouse is eligible for CHAMPUS coverage of health care received on or before January 1, 1985.

(*ii*) If the date of the final decree of divorce, dissolution of marriage, or annulment was on or after February 1, 1983, the former spouse is eligible for CHAMPUS coverage of health care which is received on or after the date of the divorce, dissolution, or annulment.

(*2*) The former spouse must have been married to the same military member or former member for at least 20 years, and at least 15, but less than 20 of those married years were creditable in determining the member's or former member's eligibility for retired or retainer pay.

(*i*) If the date of the final decree of divorce, dissolution of marriage, or annulment, is before April 1, 1985, the former spouse is eligible only for health care received on or before January 1, 1985, or the date of the divorce, dissolution, or annulment, whichever is later.

(*ii*) If the date of the decree was on or after April 1, 1985, but before September 29, 1988, the former spouse is eligible only for care received from the date of the divorce, dissolution, or annulment until December 31, 1988, or for two years from the date of the divorce, dissolution, or annulment, whichever is later.

(*iii*) If the date of the final decree of divorce, dissolution, or annulment is

on or after September 29, 1988, the former spouse is eligible only for care received within the 365 days (366 days in the case of a leap year) immediately following the date of the divorce, dissolution, or annulment.

(*iv*) Former spouses listed under paragraphs (b)(2)(ii)(F)(*2*)(*ii*) or (b)(2)(ii)(F)(*2*)(*iii*) of this section, who purchase a DoD designated health insurance policy upon termination of their eligibility, or within 90 days of termination of their eligibility, under paragraphs (b)(2)(ii)(F)(*2*)(*ii*) or (b)(2)(ii)(F)(*2*)(*iii*) of this section, are eligible for an additional year of coverage at military treatment facilities and under CHAMPUS for preexisting conditions. Preexisting conditions are those for which coverage is denied by the conversion health plan, solely because the conditions existed in the twelve month period prior to the purchase of the conversion insurance policy.

(iii) *Widow or widower.* A person who was a spouse at the time of death of the active duty member or retiree and who has not remarried.

NOTE: For purposes of this part, an unremarried widow or widower is not an eligible dependent of a NATO member.

(iv) *Child.* To be eligible, the child must be unmarried and a member of one of the classes set forth in paragraph (b)(2)(iv) (A) or (B) of this section, and who also meets the requirements of paragraph (b)(2)(iv)(C) of this section.

(A) Child of active duty member.

(*1*) A legitimate child.

(*2*) An adopted child whose adoption has been legally completed. For eligibility under this provision, adoption must take place on or before the child's twenty-first birthday.

(*3*) A legitimate stepchild.

(*4*) An illegitimate child of a male member whose paternity has been determined judicially, or an illegitimate child of record of a female member who has been directed judicially to support the child.

(*5*) An illegitimate child of a male active duty member whose paternity has not been determined judicially, or an illegitimate child of record of a female active duty member who:

(*i*) Resides with or in a home provided by the member; and

(*ii*) Is and continues to be dependent upon the member for over 50 percent of his or her support.

(*6*) An illegitimate child of the spouse of an active duty member (that is, the active duty member's stepchild) who:

(*i*) Resides with or in a home provided by the active duty member or the parent who is the spouse of the member; and

(*ii*) Is and continues to be dependent upon the member for over 50 percent of his or her support.

(B) Child of retiree, or deceased member or retiree.

(*1*) A legitimate child.

(*2*) An adopted child whose adoption has been legally completed. For eligibility under this provision, adoption must take place on or before the child's twenty-first birthday.

(*3*) A legitimate stepchild.

(*4*) An illegitimate child of a male retiree whose paternity has been determined judicially, or an illegitimate child of record of a female retiree who has been directed judicially to support the child.

(*5*) An illegitimate child of a male retiree, or deceased male member or retiree whose paternity has not been determined judicially or an illegitimate child of record of a female retiree, or deceased female member or retiree who—

(*i*) Resides with or in a home provided by the retiree, or which was being provided by the deceased member or retiree at the time of death; and

(*ii*) Is and continues to be dependent upon the retiree for over 50 percent of his or her support, or who was so dependent on the deceased member or retiree at the time of death.

(*6*) An illegitimate child of the spouse of a retiree or deceased member or retiree (that is, the retiree's stepchild or stepchild of a deceased member or retiree at the time of death) who—

(*i*) Resides with or in a home provided by the retiree or the parent who is the spouse of the retiree or was the spouse of the deceased member or retiree at the time of death; and

(*ii*) Is and continues to be dependent upon the retiree for 50 percent of his or her support, or who was so dependent on the deceased member or retiree at the time of death.

(C) Additional requirements for a child who is a member of one of the classes in paragraphs (b)(2)(iv) (A) and (B) of this section. The child must not be married. Additionally, he or she must be in one of the following three age groups:

(*1*) Not passed his or her 21st birthday.

(*2*) Passed his or her 21st birthday but incapable of self-support because of a mental or physical incapacity that existed before his or her 21st birthday and dependent on the member or retiree for over 50 percent of his or her support, or dependent upon the member or retiree for over 50 percent of his or her support on the date of the member's or retiree's death. Such incapacity must be continuous. If the incapacity significantly improves or ceases at any time after age 21, even if such incapacity recurs subsequently, CHAMPUS eligibility cannot be reinstated on the basis of the incapacity. If the child was not handicapped mentally or physically at his or her 21st birthday, but becomes so incapacitated after that time, no CHAMPUS eligibility exists on the basis of the incapacity.

(*3*) Passed his or her 21st birthday but not his or her 23rd birthday, dependent upon the member or retiree for over 50 percent of his or her support, or dependent upon the member or retiree for over 50 percent of his or her support on the date of the member's or retiree's death, and pursuing a full-time course of education in an institution of higher learning approved by the Secretary of Defense or the Department of Education (as appropriate) or by a state agency under 38 U.S.C. chapters 34 and 35.

NOTE: Courses of education offered by institutions listed in the ''Education Directory, Part 3, Higher Education'' or ''Accredited Higher Institutions'' issued periodically by the Department of Education meet the criteria approved by the Secretary of Defense or the Department of Education (refer to paragraph (b)(2)(iv)(C)(*3*) of this section. For determination of approval of courses offered by a foreign institution, by an institution not listed in either of the above directories, or by an institution not approved by a state agency pursuant to chapters 34 and 35 of 38 U.S.C., a statement may be obtained from the Department of Education, Washington, DC 20202.

(c) *Beginning dates of eligibility*—(1) *General.* The beginning date of eligibility is dependent upon the class to which the person belongs and the date the person became a member of the class. Those who join after the class became eligible attain individual eligibility on the date they join.

(2) *Beginning dates of class eligibility*—(i) *Spouse, legitimate child, adopted child, or (legitimate) stepchild of an active duty member.*

(A) For the medical benefits authorized by the Dependents' Medical Care Act of 1956, December 7, 1956.

(B) For outpatient medical benefits under the Basic Program, October 1, 1966.

(C) For inpatient medical benefits under the Basic Program, January 1, 1967.

(D) For benefits under the PFPWD, January 1, 1967.

(ii) *Retiree.* For medical benefits under the Basic Program, January 1, 1967.

NOTE: Retirees and their dependents are not eligible for benefits of the PFPWD.

(iii) Spouse, legitimate child, adopted child, or (legitimate) stepchild of a retiree or of a deceased member or retiree; widow or widower of deceased member or retiree. For medical benefits under the Basic Program, January 1, 1967.

NOTE: These classes do not have eligibility for benefits of the PFPWD.

(iv) Illegitimate child of a male active duty member or retiree (or deceased member or retiree) whose paternity has been determined judicially or an illegitimate child of record of a female active duty member or retiree (or deceased member or retiree) who has been directed judicially to support the child. For all benefits for which otherwise eligible, August 31, 1972.

(v) Illegitimate child of male active duty member or retiree (or deceased male member or retiree) whose paternity has not been determined judicially, or an illegitimate child of record of a female active duty member

or retiree (or deceased female member or retiree) who resides with or in a home provided by the active duty member or retiree (or which was being provided by the deceased member or retiree at the time of death) and who is dependent on the member for over 50 percent of his or her support (or was so dependent on the deceased member or retiree at the time of death). For all benefits for which otherwise eligible, January 1, 1969.

(vi) Illegitimate child of the spouse of an active duty member or retiree (that is, the member or retiree's stepchild or stepchild of a deceased member or retiree at the time of death) who resides with or in a home provided by the active duty member or retiree, or the parent who is the spouse of the active duty member or retiree (or was the spouse of the deceased member or retiree at the time of death), and who is dependent upon the active duty member or retiree for over 50 percent of his or her support (or was so dependent on the deceased member or retiree at the time of death). For medical benefits under the Basic Program, January 1, 1969. For benefits under the PFPWD, dependents of an active duty member only, January 1, 1969.

NOTE. Retirees or their dependents do not have eligibility for benefits of the PFPWD.

(d) *Dual coverage.* When an active duty member is also the dependent of another active duty member, a retiree, or a deceased active duty member or retiree, dual coverage, that is, entitlement to direct care from the Uniformed Services medical care system and CHAMPUS is the result. Since the active duty status is primary, and it is the intent that all medical care be provided an active duty member through the Uniformed Services medical care system, CHAMPUS eligibility of dual coverage is therefore terminated as of 12:01 a.m. on the day following the day dual coverage begins. (However, any dependent children in a marriage of two active duty persons or an active duty member and a retiree, are CHAMPUS eligible in the same manner as dependent children of a marriage involving only one CHAMPUS sponsor.) Should a spouse or dependent who has dual coverage leave active duty status, that person's CHAMPUS eligibility is reinstated as of 12:01 a.m. of the day active duty ends, if he or she otherwise is eligible as a dependent of a CHAMPUS sponsor.

(e) *Changes in and termination of eligibility.* (1) *Changes in status of active duty member.* When an active duty member's period of active duty ends (for any reason other than retirement or death), his or her dependents lose their eligibility as of 12:01 a.m. of the day following the day the active duty ends. Entitlement to CHAMPUS benefits also ceases as of 12:01 a.m. of the day following the day a member is placed in desertion status. The member's dependent regains eligibility when the member is returned to military control. A member serving a sentence of confinement in conjunction with a sentence of a punitive discharge is still considered on active duty until such time as the discharge is executed.

(2) *Changes in status of retiree.* Should a retiree cease to be entitled to retired, retainer, or equivalent pay for any reason, that person and his or her dependents lose their eligibility as of 12:01 a.m. of the day following the day the retiree ceases to be entitled to such pay unless such persons are otherwise eligible. A retiree who waives his or her retired, retainer, or equivalent pay is still considered a retiree for the purposes of CHAMPUS eligibility.

(3) *Changes in status of dependent*—(i) *Divorce.* Except as provided in paragraph (b)(2)(ii) of this section, a spouse separated from an active duty member or retiree by a final divorce decree loses all eligibility based on his or her former marital relationship as of 12:01 a.m. of the day following the day the divorce becomes final. The eligibility of the member's or retiree's own children (including adopted and eligible illegitimate children) is unaffected by the divorce. An unadopted stepchild, however, loses eligibility with the termination of the marriage, also as of 12:01 a.m. the day following the day the divorce becomes final.

(ii) *Annulment.* Except as provided in paragraph (b)(2)(ii) of this section, a spouse whose marriage to an active duty member or retiree is dissolved by annulment loses eligibility as of 12:01 a.m. of the day following the date the

court grants the annulment order. The fact that the annulment legally declares the entire marriage void from its inception does not affect the termination date of CHAMPUS eligibility. When there are children, the eligibility of the member's or retiree's own children (including adopted and eligible illegitimate children) is unaffected by the annulment. An unadopted stepchild, however, loses eligibility with the annulment of the marriage, also as of 12:01 a.m. of the day following the day the court grants the annulment order.

(iii) *Adoption.* A child of an active duty member or retiree who is adopted by a person, other than a person whose dependents are eligible for CHAMPUS benefits while the active duty member or retiree is living, thereby severing the legal relationship between the child and the sponsor, loses eligibility as of 12:01 a.m. of the day following the day the adoption becomes final. However, an adoption occurring after the death of an active duty member or retiree would not result in loss of the child's eligibility, since there would be no termination of the legal relationship between the child and the deceased sponsor.

(iv) *Marriage of child.* A child of an active duty member or retiree, who marries a person whose dependents are not eligible for CHAMPUS, loses eligibility as of 12:01 a.m. of the day following the day of the marriage. However, should the marriage be terminated by death, divorce, or annulment before the child is 21 years old, the child again becomes a CHAMPUS eligible dependent as of 12:01 a.m. of the day following the day of the occurrence that terminates the marriage and continues up to age 21 if the child does not marry before that time. If the marriage terminates after the child's 21st birthday, there is no reinstatement of CHAMPUS eligibility.

(v) *Marriage of widow or widower.* The remarriage of a widow or widower of an active duty member or retiree to a person whose dependents are not eligible for CHAMPUS terminates his or her CHAMPUS eligibility as of 12:01 a.m. of the day following the day of marriage. Even if such remarriage should terminate for any reason, CHAMPUS benefits cannot be reinstated. However, the child of the widow or widower who was the stepchild of the deceased active duty member or retiree at the time of death continues to have the same CHAMPUS eligibility as other classes of dependent children.

(vi) Attainment of entitlement to hospital insurance benefits (Part A) under Medicare. Retirees, and all other CHAMPUS eligible persons except dependents of active duty members lose their eligibility for CHAMPUS if they become eligible for hospital insurance benefits (Part A) of Medicare. This is true even though the persons attaining such status live outside the United States where Medicare benefits are not available.

(A) Loss of CHAMPUS eligibility: Age. All CHAMPUS beneficiaries, except dependents of active duty members, and beneficiaries not eligible for Part A of Medicare, lose CHAMPUS eligibility at midnight on the last day of the month preceding the month of attainment of age 65. (For Medicare purposes, an individual attains age 65 the day before his or her 65th birthday.) If the person is not eligible for Part A of Medicare, he or she must file a Social Security Administration ''Notice of Disallowance'' certifying to that fact with the Uniformed Service responsible for the issuance of his or her identification card so a new card showing CHAMPUS eligibility can be issued.

(B) Loss of CHAMPUS eligibility: End stage renal disease and disability—(*1*) *End stage renal disease.* Medicare coverage begins with the third month after the month a course of maintenance dialysis begins, or with the first month of dialysis if the individual participates in a self-dialysis training program during the 3-month waiting period, or with the month in which a patient enters the hospital to prepare to receive a transplant (providing the transplant is performed within the following 2 months). If a transplant is delayed more than 2 months after the preparatory hospitalization, Medicare coverage will begin with the second month prior to the month of transplant. All beneficiaries, except dependents of active duty members, lose their CHAMPUS eligibility when Medicare

coverage becomes available to a person because of chronic renal disease.

(*2*) *Disability*. Each case relating to Medicare eligibility resulting from being disabled requires individual investigation. All beneficiaries except dependents of active duty members lose their CHAMPUS eligibility when Medicare coverage becomes available to a disabled person.

(C) Reinstatement of CHAMPUS eligibility—(*1*) Age limitation. Beneficiaries who lose their CHAMPUS eligibility because they reached the age limitation and were eligible for Part A, cannot be reinstated under CHAMPUS.

(*2*) End stage renal disease. Medicare coverage ceases for end stage renal disease patients with the 36th month after the month in which a successful kidney transplant takes place or with the 12th month after the month in which the course of maintenance dialysis ends. At this point CHAMPUS eligibility resumes if the person is otherwise still eligible. He or she is required to take action to be reinstated as a CHAMPUS beneficiary and to obtain a new identification card.

(*3*) Disability. Some disabilities are permanent, other temporary. Each case must be reviewed individually. When disability ends and Medicare eligibility ceases, CHAMPUS eligibility resumes if the person is otherwise still eligible. Agan, he or she is required to take action to obtain a new CHAMPUS identification card.

(D) Other Medicare entitlement. Entitlement only to supplementary medical insurance (Part B) of Medicare, but not Part A, or to Part A through the Premium-HI provision (provided for under the 1972 Amendments to the Social Security Act), does not affect CHAMPUS eligibility for any class of beneficiary. The only impact relates to double coverage (refer to § 199.8 of this part).

(vii) Disabling illness or injury of child age 21 or 22 who has eligibility based on his or her student status. A child 21 or 22 years old who is pursuing a full-time course of higher education and who, either during the school year or between semester, suffers a disabling illness or injury with resultant inability to resume attendance at the institution remains eligible for CHAMPUS medical benefits for 6 months after the disability is removed or until the student passes his or her 23rd birthday, whichever occurs first. However, if recovery occurs before the 23rd birthday and there is resumption of a full-time course of higher education, CHAMPUS benefits can be continued until the 23rd birthday. The normal vacation periods during an established school year do not change the eligibility status of a dependent child 21 or 22 years old in full-time student status. Unless an incapacitating condition existed before, and at the time of, a dependent child's 21st birthday, a dependent child 21 or 22 years old in student status does not have eligibility related to mental or physical incapacity as described in paragraph (b)(2)(iv)(C)(*2*) of this section.

(f) *Determination of eligibility status*—(1) *Eligibility determinations responsibility of Uniformed Services*. Determination of a person's eligibility as a CHAMPUS beneficiary is the responsibility of the Uniformed Service in which the active duty member, retiree, deceased member, or deceased retiree is, or was, a member, or in the case of dependents of a NATO military member, the Service that sponsors the NATO member. For the purpose of program integrity, the appropriate Uniformed Service shall, upon request of the Director, OCHAMPUS, review the eligibility of a specific person when there is reason to question the eligibility status. In such cases, a report on the result of the review and any action taken will be submitted to the Director, OCHAMPUS, or a designee.

(2) *Procedures for determination of eligibility*. Procedures for the determination of eligibility and issuance of identification cards evidencing eligibility are prescribed by the following regulatory documents:

(i) *Department of Defense*. DoD Instruction 1000.13.[6]

(ii) *Army*. AR 640–3, ''Identification Cards, Tags, and Badges.''

(iii) *Navy*. (A) NAVPERS 15560, articles 4620150 (active duty members) and 4620250 (retired members).

[6] See footnote 2 to § 199.1(c)(2)(i).

(B) NAVMILPERSCOMINST 1750.1 series, Uniformed Services Identification and Privilege Card (DD Form 1173); regulations governing.

(iv) *Marine Corps.* (A) MCO in P1900 series, Separation and Retirement Manual (DD Form 2MC–RETIRED).

(B) MCO in P1750 series, Uniformed Services Identification and Privilege Card (DD Form 1173).

(v) *Air Force.* AFR 30–20, ''Issue and Control of Identification Cards.''

(vi) *U.S. Public Health Service.* CC29.2, Personnel Instruction 1 and 2.

(vii) *Coast Guard.* Personnel Manual (CG 207, Chapter 13, Section E, and Chapter 18, Section C).

(viii) *NOAA.* No published regulations. Identification cards are issued by Headquarters, NOAA, or the applications are verified by Headquarters, NOAA, and presented to any Uniformed Service facility for issuance of a card.

(g) *Evidence of eligibility required.* Eligibility for CHAMPUS benefits will be verified through the DEERS (DoD 1341.1–M[7]).

(1) *Acceptable evidence of eligibility*—(i) *DEERS.* Eligibility information established and maintained in the DEERS files is acceptable evidence of eligibility.

(ii) *Identification cards or devices.* When the DEERS file is not accessible immediately, acceptable preliminary evidence of eligibility includes valid identification cards or devices officially prescribed and issued by the appropriate Uniformed Service. Dependents identification cards must confirm CHAMPUS eligibility.

(2) *Responsibility for obtaining evidence of eligibility.* It is the responsibility of the CHAMPUS beneficiary, or parent, or legal representative, when appropriate, to provide the necessary evidence required for entry into the DEERS file to establish CHAMPUS eligibility, and to ensure that all changes in status that may affect eligibility be reported immediately to the appropriate Uniformed Service for action. Ineligibility for CHAMPUS benefits may be presumed in the absence of prescribed eligibility evidence in the DEERS file or in the absence of a valid identification card or device.

[51 FR 24008, July 1, 1986, as amended at 52 FR 27991, July 27, 1987; 53 FR 17191, May 16, 1988; 55 FR 27634, July 5, 1990; 62 FR 35092, June 30, 1997]

§199.4 Basic program benefits.

(a) *General.* The CHAMPUS Basic Program is essentially a supplemental program to the Uniformed Services direct medical care system. The Basic Program is similar to private insurance programs, and is designed to provide financial assistance to CHAMPUS beneficiaries for certain prescribed medical care obtained from civilian sources.

(1)(i) *Scope of benefits.* Subject to all applicable definitions, conditions, limitations, or exclusions specified in this part, the CHAMPUS Basic Program will pay for medically necessary services and supplies required in the diagnosis and treatment of illness or injury, including maternity care and well-baby care. Benefits include specified medical services and supplies provided to eligible beneficiaries from authorized civilian sources such as hospitals, other authorized institutional providers, physicians, other authorized individual professional providers, and professional ambulance service, prescription drugs, authorized medical supplies, and rental or purchase of durable medical equipment.

(ii) *Impact of TRICARE program.* The basic program benefits set forth in this section are applicable to the basic CHAMPUS program. In areas in which the TRICARE program is implemented, certain provisions of §199.17 will apply instead of the provisions of this section. In those areas, the provisions of §199.17 will take precedence over any provisions of this section with which they conflict.

(2) *Persons eligible for Basic Program benefits.* Persons eligible to receive the Basic Program benefits are set forth in §199.3 of this part. Any person determined to be an eligible CHAMPUS beneficiary is eligible for Basic Program benefits.

(3) *Authority to act for CHAMPUS.* The authority to make benefit determinations and authorize the disbursement of funds under CHAMPUS is restricted

[7] See footnote 1 to §199.1(c)(2)(i).

to the Director, OCHAMPUS; designated OCHAMPUS staff; Director, OCHAMPUSEUR; or CHAMPUS fiscal intermediaries. No other persons or agents (such as physicians, staff members of hospitals, or CHAMPUS health benefits advisors) have such authority.

(4) *Status of patient controlling for purposes of cost-sharing.* Benefits for covered services and supplies described in this section will be extended either on an inpatient or outpatient cost-sharing basis in accordance with the status of the patient at the time the covered services and supplies were provided, unless otherwise specifically designated (such as for ambulance service or maternity care). For cost-sharing provisions, refer to paragraph (f) of this section.

(5) *Right to information.* As a condition precedent to the provision of benefits hereunder, OCHAMPUS or its CHAMPUS fiscal intermediaries shall be entitled to receive information from a physician or hospital or other person, institution, or organization (including a local, state, or U.S. Government agency) providing services or supplies to the beneficiary for which claims or requests for approval for benefits are submitted. Such information and records may relate to the attendance, testing, monitoring, or examination or diagnosis of, or treatment rendered, or services and supplies furnished to a beneficiary, and shall be necessary for the accurate and efficient administration of CHAMPUS benefits. Before a determination will be made on a request for preauthorization or claim of benefits, a beneficiary or sponsor must provide particular additional information relevant to the requested determination, when necessary. The recipient of such information shall in every case hold such records confidential except when:

(i) Disclosure of such information is authorized specifically by the beneficiary;

(ii) Disclosure is necessary to permit authorized governmental officials to investigate and prosecute criminal actions, or

(iii) Disclosure is authorized or required specifically under the terms of the Privacy Act or Freedom of Information Act (refer to § 199.1(m) of this part).

For the purposes of determining the applicability of and implementing the provisions of §§ 199.8, 199.11, and 199.12, or any provision of similar purpose of any other medical benefits coverage or entitlement, OCHAMPUS or CHAMPUS fiscal intermediaries may release, without consent or notice to any beneficiary or sponsor, to any person, organization, government agency, provider, or other entity any information with respect to any beneficiary when such release constitutes a routine use published in the FEDERAL REGISTER in accordance with DoD 5400.11–R (Privacy Act (5 U.S.C. 552a)). Before a person's claim of benefits will be adjudicated, the person must furnish to CHAMPUS information that reasonably may be expected to be in his or her possession and that is necessary to make the benefit determination. Failure to provide the requested information may result in denial of the claim.

(6) *Physical examinations.* The Director, OCHAMPUS, or a designee, may require a beneficiary to submit to one or more medical (including psychiatric) examinations to determine the beneficiary's entitlement to benefits for which application has been made or for otherwise authorized medically necessary services and supplies required in the diagnosis or treatment of an illness or injury (including maternity and well-baby care). When a medical examination has been requested, CHAMPUS will withhold payment of any pending claims or preauthorization requests on that particular beneficiary. If the beneficiary refuses to agree to the requested medical examination, or unless prevented by a medical reason acceptable to OCHAMPUS, the examination is not performed within 90 days of initial request, all pending claims for services and supplies will be denied. A denial of payments for services or supplies provided before (and related to) the request for a physical examination is not subject to reconsideration. The medical examination and required beneficiary travel related to performing the requested medical examination will be at the expense of CHAMPUS. The medical examination may be performed by a

physician in a Uniformed Services medical facility or by an appropriate civilian physician, as determined and selected by the Director, OCHAMPUS, or a designee who is responsible for making such arrangements as are necessary, including necessary travel arrangements.

(7) *Claims filing deadline.* For all services provided on or after January 1, 1993, to be considered for benefits, all claims submitted for benefits must, except as provided in § 199.7, be filed with the appropriate CHAMPUS contractor no later than one year after the services are provided. Unless the requirement is waived, failure to file a claim within this deadline waives all rights to benefits for such services or supplies.

(8) *Double coverage and third party recoveries.* CHAMPUS claims involving double coverage or the possiblity that the United States can recover all or a part of its expenses from a third party, are specifically subject to the provisions of § 199.8 or § 199.12 of this part as appropriate.

(9) *Nonavailability statements within a 40-mile catchment area.* In some geographic locations, it is necessary for CHAMPUS beneficiaries not enrolled in TRICARE Prime to determine whether the required inpatient medical care can be provided through a Uniformed Services facility. If the required care cannot be provided, the hospital commander, or designee, will issue a Nonavailability Statement (DD form 1251). Except for emergencies, a Nonavailability Statement should be issued before medical care is obtained from a civilian source. Failure to secure such a statement may waive the beneficiary's rights to benefits under CHAMPUS.

(i) *Rules applicable to issuance of Nonavailability Statement (NAS) (DD Form 1251).*

(A) The ASD(HA) is responsible for issuing rules and regulations regarding Nonavailability Statements.

(B) For CHAMPUS beneficiaries who are not enrolled in TRICARE Prime, an NAS is required for services in connection with nonemergency inpatient hospital care if such services are available at a facility of the Uniformed Services located within a 40 mile radius of the residence of the beneficiary, except that an NAS is not required for services otherwise available at a facility of the Uniformed Services located within a 40-mile radius of the beneficiary's residence when another insurance plan or program provides the beneficiary primary coverage for the services. This requirement for an NAS does not apply to beneficiaries enrolled in TRICARE Prime, even when those beneficiaries use the point-of-service option under § 199.17(n)(3).

(C) In addition to NAS requirements set forth in paragraph (a)(9) of this section, additional NAS requirements are established pursuant to paragraph (a)(10) of this section in connection with highly specialized care in national or 200-mile catchment areas of military or civilian STS facilities.

(ii) *Beneficiary responsibility.* A CHAMPUS beneficiary who is not enrolled in TRICARE Prime is responsible for securing information whether or not he or she resides in a geographic area that requires obtaining a Nonavailability Statement. Information concerning current rules and regulations may be obtained from the Offices of the Army, Navy, and Air Force Surgeons General; or a representative of the TRICARE managed care support contractor's staff, or the Director, OCHAMPUS.

(iii) *Rules in effect at time civilian medical care is provided apply.* The applicable rules and regulations regarding Nonavailability Statements in effect at the time the civilian care is rendered apply in determining whether a Nonavailability Statement is required.

(iv) Nonavailability Statement (DD Form 1251) must be filed with applicable claim. When a claim is submitted for CHAMPUS benefits that includes services for which a Nonavailability Statement was issued, a valid Nonavailability Statement authorization must be on DEERS.

(v) *Nonavailability Statement (NAS) and Claims Adjudication.* A NAS is valid for the adjudication of CHAMPUS claims for all related care otherwise authorized by this part which is received from a civilian source while the beneficiary resided within the Uniformed Service facility catchment area which issued the NAS.

(vi) In the case of any service subject to an NAS requirement under paragraph (a)(9) of this section and also subject to a preadmission (or other preservice) authorization requirement under § 199.4 or § 199.15, the administrative processes for the NAS and preservice authorization may be combined.

(10) *Nonavailability Statements in national or 200-mile catchment areas for highly specialized care available in selected military or civilian Specialized Treatment Service Facilities*—(i) *Specialized Treatment Service Facilities.* STS Facilities may be designated for certain high cost, high technology procedures. The purpose of such designations is to concentrate patient referrals for certain highly specialized procedures which are of relatively low incidence and/or relatively high per-case cost and which require patient concentration to permit resource investment and enhance the effectiveness of quality assurance efforts.

(ii) *Designation.* Selected military treatment facilities and civilian facilities will be designated by the Assistant Secretary of Defense for Health Affairs as STS Facilities for certain procedures. These designations will be based on the highly specialized capabilities of those selected facilities. For each STS designation for which NASs in national or 200-mile catchment areas will be required, there shall be a determination that total government costs associated with providing the service under the Specialized Treatment Services program will in the aggregate be less than the total government cost of that service under the normal operation of CHAMPUS. There shall also be a determination that the Specialized Treatment Services Facility meets a standard of excellence in quality comparable to that prevailing in other highly specialized medical centers in the nation or region that provide the services involved.

(iii) *Organ transplants and similar procedures.* For organ transplants and procedures of similar extraordinary specialization, military or civilian STS Facilities may be designated for a nationwide catchment area, covering all 50 states, the District of Columbia and Puerto Rico (or, alternatively, for any portion of such a nationwide area).

(iv) *Other highly specialized procedures.* For other highly specialized procedures, military or civilian STS Facilities will be designated for catchment areas of up to approximately 200 miles radius. The exact geographical area covered for each STS Facility will be identified by reference to State and local governmental jurisdictions, zip code groups or other method to describe an area within an approximate radius of 200 miles from the facility. In paragraph (a)(10) of this section, this catchment area is referred to as a ''200-mile catchment area''.

(v) *NAS requirement.* For procedures subject to a nationwide catchment area NAS requirement under paragraph (a)(10)(iii) of this section or a 200-mile catchment area NAS requirement under paragraph (a)(10)(iv) of this section, CHAMPUS cost sharing is not allowed unless the services are obtained from a designated civilian Specialized Treatment Services program (as authorized) or an NAS has been issued. This rule is subject to the exceptions set forth in paragraph (a)(10)(vi) of this section. This NAS requirement is a general requirement of the CHAMPUS program.

(vi) *Exceptions.* Nationwide catchment areas NASs and 200-mile catchment area NASs are not required in any of the following circumstances:

(A) An emergency.

(B) When another insurance plan or program provides the beneficiary primary coverage for the services.

(C) A case-by-case waiver is granted based on a medical judgment made by the commander of the STS Facility (or other person designated for this purpose) that, although the care is available at the facility, it would be medically inappropriate because of a delay in the treatment or other special reason to require that the STS Facility be used; or

(D) A case-by-case waiver is granted by the commander of the STS Facility (or other person designated for this purpose) that, although the care is available at the facility, use of the facility would impose exceptional hardship on the beneficiary or the beneficiary's family.

(E) The beneficiary is enrolled in TRICARE Prime.

(vii) *Waiver process.* A process shall be established for beneficiaries to request a case-by-case waiver under paragraphs (a)(10)(vi) (C) and (D) of this section. This process shall include:

(A) An opportunity for the beneficiary (and/or the beneficiary's physician) to submit information the beneficiary believes justifies a waiver.

(B) A written decision from a person designated for the purpose on the request for a waiver, including a statement of the reasons for the decision.

(C) An opportunity for the beneficiary to appeal an unfavorable decision to a designated appeal authority not involved in the initial decision; and

(D) A written decision on the appeal, including a statement of the reasons for the decision.

(viii) *Notice.* The Assistant Secretary of Defense for Health Affairs will annually publish in the FEDERAL REGISTER a notice of all military and civilian STS Facilities, including a listing of the several procedures subject to nationwide catchment area NASs and the highly specialized procedures subject to 200-mile catchment area NASs.

(ix) *Specialized procedures.* Highly specialized procedures that may be established as subject to 200-mile catchment area NASs are limited to:

(A) Medical and surgical diagnoses requiring inpatient hospital treatment of an unusually intensive nature, documented by a DRG-based payment system weight (pursuant to §199.14(a)(1)) for a single DRG or an aggregated DRG weight for a category of DRGs of at least 2.0 (i.e., treatment is at least two times as intensive as the average CHAMPUS inpatient case).

(B) Diagnostic or therapeutic services, including outpatient services, related to such inpatient categories of treatment.

(C) Other procedures which require highly specialized equipment the cost of which exceeds $1,000,000 (e.g., lithotriptor, positron emission tomography equipment) and such equipment is underutilized in the area; and

(D) Other comparable highly specialized procedures as determined by the Assistant Secretary of Defense for Health Affairs.

(x) *Quality standards.* Any facility designated as a military or civilian STS Facility under paragraph (a)(10) of this section shall be required to meet quality standards established by the Assistant Secretary of Defense for Health Affairs. In the development of such standards, the Assistant Secretary shall consult with relevant medical specialty societies and other appropriate parties. To the extent feasible, quality standards shall be based on nationally recognized standards.

(xi) *NAS procedures.* The provisions of paragraphs (a)(9)(ii) through (a)(9)(v) of this section regarding procedures applicable to NASs shall apply to expanded catchment area NASs required by paragraph (a)(10) of this section.

(xii) *Travel and lodging expenses.* In accordance with guidelines issued by the Assistant Secretary of Defense for Health Affairs, certain travel and lodging expenses associated with services under the Specialized Treatment Services program may be fully or partially reimbursed.

(xiii) *Preference for military facility use.* In any case in which services subject to an NAS requirement under paragraph (a)(10) of this section are available in both a military STS Facility and from a civilian STS Facility, the military Facility must be used unless use of the civilian Facility is specifically authorized.

(11) *Quality and Utilization Review Peer Review Organization program.* All benefits under the CHAMPUS program are subject to review under the CHAMPUS Quality and Utilization Review Peer Review Organization program pursuant to §199.15. (Utilization and quality review of mental health services are also part of the Peer Review Organization program, and are addressed in paragraph (a)(12) of this section.)

(12) *Utilization review, quality assurance and reauthorization for inpatient mental health services and partial hospitalization.* (i) *In general.* The Director, OCHAMPUS shall provide, either directly or through contract, a program of utilization and quality review for all mental health care services. Among other things, this program shall include mandatory preadmission authorization before nonemergency inpatient

mental health services may be provided and mandatory approval of continuation of inpatient services within 72 hours of emergency admissions. This program shall also include requirements for other pretreatment authorization procedures, concurrent review of continuing inpatient and partial hospitalization, retrospective review, and other such procedures as determined appropriate by the Director, OCHAMPUS. The provisions of paragraph (h) of this section and § 199.15(f) shall apply to this program. The Director, OCHAMPUS, shall establish, pursuant to that § 199.15(f), procedures substantially comparable to requirements of paragraph (h) of this section and § 199.15. If the utilization and quality review program for mental health care services is provided by contract, the contractor(s) need not be the same contractor(s) as are engaged under § 199.15 in connection with the review of other services.

(ii) *Preadmission authorization.* (A) This section generally requires preadmission authorization for all nonemergency inpatient mental health services and prompt continued stay authorization after emergency admissions. It also requires preadmission authorization for all admissions to a partial hospitalization program, without exception, as the concept of an emergency admission does not pertain to a partial hospitalization level of care. This section generally requires preadmission authorization for all nonemergency inpatient mental health services and prompt continued stay authorization after emergency admissions. Institutional services for which payment would otherwise be authorized, but which were provided without compliance with preadmission authorization requirements, do not qualify for the same payment that would be provided if the preadmission requirements had been met.

(B) In cases of noncompliance with preauthorization requirements, a payment reduction shall be made in accordance with § 199.15(b)(4)(iii).

(C) For purposes of paragraph (a)(12)(ii)(B) of this section, a day of services without the appropriate preauthorization is any day of services provided prior to:

(*1*) The receipt of an authorization; or

(*2*) The effective date of an authorization subsequently received.

(D) Services for which payment is disallowed under paragraph (a)(12)(ii)(B) of this section may not be billed to the patient (or the patient's family).

(13) *Implementing instructions.* The Director, OCHAMPUS shall issue policies, procedures, instructions, guidelines, standards and/or criteria to implement this section.

(b) *Institutional benefits.* (1) *General.* Services and supplies provided by an institutional provider authorized as set forth in § 199.6 may be cost-shared only when such services or supplies: are otherwise authorized by this part; are medically necessary; are ordered, directed, prescribed, or delivered by an OCHAMPUS-authorized individual professional provider as set forth in § 199.6 or by an employee of the authorized institutional provider who is otherwise eligible to be a CHAMPUS authorized individual professional provider; are delivered in accordance with generally accepted norms for clinical practice in the United States; meet established quality standards; and comply with applicable definitions, conditions, limitations, exceptions, or exclusions as otherwise set forth in this part.

(i) *Billing practices.* To be considered for benefits under § 199.4(b), covered services and supplies must be provided and billed for by a hospital or other authorized institutional provider. Such billings must be fully itemized and sufficiently descriptive to permit CHAMPUS to determine whether benefits are authorized by this part. Depending on the individual circumstances, teaching physician services may be considered an institutional benefit in accordance with § 199.4(b) or a professional benefit under § 199.4(c). See paragraph (c)(3)(xiii) of this section for the CHAMPUS requirements regarding teaching physicians. In the case of continuous care, claims shall be submitted to the appropriate CHAMPUS fiscal intermediary at least every 30 days either by the beneficiary or sponsor or, on a participating basis, directly by the facility on behalf of the beneficiary (refer to § 199.7).

(ii) *Successive inpatient admissions.* Successive inpatient admissions shall be deemed one inpatient confinement for the purpose of computing the active duty dependent's share of the inpatient institutional charges, provided not more than 60 days have elapsed between the successive admissions, except that successive inpatient admissions related to a single maternity episode shall be considered one confinement, regardless of the number of days between admissions. For the purpose of applying benefits, successive admissions will be determined separately for maternity admissions and admissions related to an accidental injury (refer to § 199.4(f)).

(iii) *Related services and supplies.* Covered services and supplies must be rendered in connection with and related directly to a covered diagnosis or definitive set of symptoms requiring otherwise authorized medically necessary treatment.

(iv) *Inpatient, appropriate level required.* For purposes of inpatient care, the level of institutional care for which Basic Program benefits may be extended must be at the appropriate level required to provide the medically necessary treatment except for patients requiring skilled nursing facility care. For patients for whom skilled nursing facility care is adequate, but is not available in the general locality, benefits may be continued in the higher level care facility. General locality means an area that includes all the skilled nursing facilities within 50 miles of the higher level facility, unless the higher level facility can demonstrate that the skilled nursing facilities are inaccessible to its patients. The decision as to whether a skilled nursing facility is within the higher level facility's general locality, or the skilled nursing facility is inaccessible to the higher level facility's patients shall be a CHAMPUS contractor initial determination for the purposes of appeal under § 199.10 of this part. CHAMPUS institutional benefit payments shall be limited to the allowable cost that would have been incurred in the skilled nursing facility, as determined by the Director, OCHAMPUS, or a designee. If it is determined that the institutional care can be provided reasonably in the home setting, no CHAMPUS institutional benefits are payable.

(v) *General or special education not covered.* Services and supplies related to the provision of either regular or special education generally are not covered. Such exclusion applies whether a separate charge is made for education or whether it is included as a part of an overall combined daily charge of an institution. In the latter instance, that portion of the overall combined daily charge related to education must be determined, based on the allowable costs of the educational component, and deleted from the institution's charges before CHAMPUS benefits can be extended. The only exception is when appropriate education is not available from or not payable by the cognizant public entity. Each case must be referred to the Director, OCHAMPUS, or a designee, for review and a determination of the applicability of CHAMPUS benefits.

(2) *Covered hospital services and supplies*—(i) *Room and board.* Includes special diets, laundry services, and other general housekeeping support services (inpatient only).

(ii) *General staff nursing services.*

(iii) *ICU.* Includes specialized units, such as for respiratory conditions, cardiac surgery, coronary care, burn care, or neurosurgery (inpatient only).

(iv) *Operating room, recovery room.* Operating room and recovery room, including other special treatment rooms and equipment, and hyperbaric chamber.

(v) *Drugs and medicines.* Includes sera, biologicals, and pharmaceutical preparations (including insulin) that are listed in the official formularies of the institution or facility at the time of use. (To be considered as an inpatient supply, drugs and medicines must be consumed during the specific period the beneficiary is a registered inpatient. Drugs and medicines prescribed for use outside the hospital, even though prescribed and obtained while still a registered inpatient, will be considered outpatient supplies and the provisions of paragraph (d) of this section will apply.)

(vi) *Durable medical equipment, medical supplies, and dressings.* Includes durable

medical equipment, medical supplies essential to a surgical procedure (such as artificial heart valve and artificial ball and socket joint), sterile trays, casts, and orthopedic hardware. Use of durable medical equipment is restricted to an inpatient basis.

NOTE: If durable medical equipment is to be used on an outpatient basis or continued in outpatient status after use as an inpatient, benefits will be provided as set forth in paragraph (d) of this section and cost-sharing will be on an outpatient basis (refer to paragraph (a)(4) of this section).

(vii) *Diagnostic services.* Includes clinical laboratory examinations, x-ray examinations, pathological examinations, and machine tests that produce hard-copy results. Also includes CT scanning under certain limited conditions.

(viii) *Anesthesia.* Includes both the anesthetic agent and its administration.

(ix) *Blood.* Includes blood, plasma and its derivatives, including equipment and supplies, and its administration.

(x) *Radiation therapy.* Includes radioisotopes.

(xi) *Physical therapy.*

(xii) *Oxygen.* Includes equipment for its administration.

(xiii) *Intravenous injections.* Includes solution.

(xiv) *Shock therapy.*

(xv) *Chemotherapy.*

(xvi) *Renal and peritoneal dialysis.*

(xvii) *Psychological evaluation tests.* When required by the diagnosis.

(xviii) *Other medical services.* Includes such other medical services as may be authorized by the Director, OCHAMPUS, or a designee, provided they are related directly to the diagnosis or definitive set of symptoms and rendered by a member of the institution's medical or professional staff (either salaried or contractual) and billed for by the hospital.

(3) *Covered services and supplies provided by special medical treatment institutions or facilities, other than hospitals or RTCs—(* i) *Room and board.* Includes special diets, laundry services, and other general housekeeping support services (inpatient only).

(ii) *General staff nursing services.*

(iii) *Drugs and medicines.* Includes sera, biologicals, and pharmaceutical preparations (including insulin) that are listed in the official formularies of the institution or facility at the time of use. (To be considered as an inpatient supply, drugs and medicines must be consumed during the specific period the beneficiary is a registered inpatient. Drugs and medicines prescribed for use outside the authorized institutional provider, even though prescribed and obtained while still a registered inpatient, will be considered outpatient supplies and the provisions of paragraph (d) of this section will apply.).

(iv) *Durable medical equipment, medical supplies, and dressings.* Includes durable medical equipment, sterile trays, casts, orthopedic hardware and dressings. Use of durable medical equipment is restricted to an inpatent basis.

NOTE: If the durable medical equipment is to be used on an outpatient basis or continued in outpatient status after use as an inpatient, benefits will be provided as set forth in paragraph (d) of this section, and cost-sharing will be on an outpatient basis (refer to paragraph (a)(4) of this section).

(v) *Diagnostic services.* Includes clinical laboratory examinations, x-ray examinations, pathological examination, and machine tests that produce hard-copy results.

(vi) *Blood.* Includes blood, plasma and its derivatives, including equipment and supplies, and its administration.

(vii) *Physical therapy.*

(viii) *Oxygen.* Includes equipment for its administration.

(ix) *Intravenous injections.* Includes solution.

(x) *Shock therapy.*

(xi) *Chemotherapy.*

(xii) *Psychological evaluation tests.* When required by the diagnosis.

(xiii) *Renal and peritoneal dialysis.*

(xiv) *Other medical services.* Other medical services may be authorized by the Director, OCHAMPUS, or a designee, provided they are related directly to the diagnosis or definitive set of symptoms and rendered by a member of the institution's medical or professional staff (either salaried or contractual) and billed for by the authorized institutional provider of care.

(4) *Services and supplies provided by RTCs*—(i) *Room and board.* Includes use of residential facilities such as food

service (including special diets), laundry services, supervised reasonable recreational and social activity services, and other general services as considered appropriate by the Director, OCHAMPUS, or a designee.

(ii) *Patient assessment.* Includes the assessment of each child or adolescent accepted by the RTC, including clinical consideration of each of his or her fundamental needs, that is, physical, psychological, chronological age, developmental level, family, educational, social, environmental, and recreational.

(iii) *Diagnostic services.* Includes clinical laboratory examinations, x-ray examinations, pathological examinations, and machine tests that produce hard-copy results.

(iv) *Psychological evaluation tests.*

(v) *Treatment of mental disorders.* Services and supplies that are medically or psychologically necessary to diagnose and treat the mental disorder for which the patient was admitted to the RTC. Covered services and requirements for qualifications of providers are as listed in paragraph (c)(3)(ix) of this section.

(vi) *Other necessary medical care.* Emergency medical services or other authorized medical care may be rendered by the RTC provided it is professionally capable of rendering such services and meets standards required by the Director, OCHAMPUS. It is intended, however, that CHAMPUS payments to an RTC should primarily cover those services and supplies directly related to the treatment of mental disorders that require residential care.

(vii) *Criteria for determining medical or psychological necessity.* In determining the medical or psychological necessity of services and supplies provided by RTCs, the evaluation conducted by the Director, OCHAMPUS (or designee) shall consider the appropriate level of care for the patient, the intensity of services required by the patient, and the availability of that care. In addition to the criteria set forth in this paragraph (b)(4) of this section, additional evaluation standards, consistent with such criteria, may be adopted by the Director, OCHAMPUS (or designee). RTC services and supplies shall not be considered medically or psychologically necessary unless, at a minimum, *all* the following criteria are clinically determined in the evaluation to be fully met:

(A) Patient has a diagnosable psychiatric disorder.

(B) Patient exhibits patterns of disruptive behavior with evidence of disturbances in family functioning or social relationships and persistent psychological and/or emotional disturbances.

(C) RTC services involve active clinical treatment under an individualized treatment plan that provides for:

(*1*) Specific level of care, and measurable goals/objectives relevant to each of the problems identified;

(*2*) Skilled interventions by qualified mental health professionals to assist the patient and/or family;

(*3*) Time frames for achieving proposed outcomes; and

(*4*) Evaluation of treatment progress to include timely reviews and updates as appropriate of the patient's treatment plan that reflects alterations in the treatment regimen, the measurable goals/objectives, and the level of care required for each of the patient's problems, and explanations of any failure to achieve the treatment goals/objectives.

(D) Unless therapeutically contraindicated, the family and/or guardian must actively participate in the continuing care of the patient either through direct involvement at the facility or geographically distant family therapy. (In the latter case, the treatment center must document that there has been collaboration with the family and/or guardian in all reviews.)

(viii) *Preauthorization requirement.* (A) All admissions to RTC care are elective and must be certified as medically/psychologically necessary prior to admission. The criteria for preauthorization shall be those set forth in paragraph (b)(4)(vii) of this section. In applying those criteria in the context of preadmission authorization review, special emphasis is placed on the development of a specific diagnosis/treatment plan, consistent with those criteria and reasonably expected to be effective, for that individual patient.

(B) The timetable for development of the individualized treatment plan shall be as follows:

(*1*) The plan must be under development at the time of the admission.

(*2*) A preliminary treatment plan must be established within 24 hours of the admission.

(*3*) A master treatment plan must be established within ten calendar days of the admission.

(C) The elements of the individualized treatment plan must include:

(*1*) The diagnostic evaluation that establishes the necessity for the admission;

(*2*) An assessment regarding the inappropriateness of services at a less intensive level of care;

(*3*) A comprehensive, biopsychosocial assessment and diagnostic formulation;

(*4*) A specific individualized treatment plan that integrates measurable goals/objectives and their required level of care for each of the patient's problems that are a focus of treatment;

(*5*) A specific plan for involvement of family members, unless therapeutically contraindicated; and

(*6*) A discharge plan, including an objective of referring the patient to further services, if needed, at less intensive levels of care within the benefit limited period.

(D) Preauthorization requests should be made not fewer than two business days prior to the planned admission. In general, the decision regarding preauthorization shall be made within one business day of receipt of a request for preauthorization, and shall be followed with written confirmation. Preauthorizations are valid for the period of time, appropriate to the type of care involved, stated when the preauthorization is issued. In general, preauthorizations are valid for 30 days.

(ix) *Concurrent review*. Concurrent review of the necessity for continued stay will be conducted no less frequently than every 30 days. The criteria for concurrent review shall be those set forth in paragraph (b)(4)(vii) of this section. In applying those criteria in the context of concurrent review, special emphasis is placed on evaluating the progress being made in the active individualized clinical treatment being provided and on developing appropriate discharge plans.

(5) *Extent of institutional benefits*—(i) *Inpatient room accommodations*—(A) *Semiprivate*. The allowable costs for room and board furnished an individual patient are payable for semiprivate accommodations in a hospital or other authorized institution, subject to appropriate cost-sharing provisions (refer to paragraph (f) of this section). A semiprivate accommodation is a room containing at least two beds. Therefore, if a room publicly is designated by the institution as a semiprivate accommodation and contains multiple beds, it qualifies as semiprivate for the purpose of CHAMPUS.

(B) *Private*. A room with one bed that is designated as a private room by the hospital or other authorized institutional provider. The allowable cost of a private room accommodation is covered only under the following conditions:

(*1*) When its use is required medically and when the attending physician certifies that a private room is necessary medically for the proper care and treatment of a patient; or

(*2*) When a patient's medical condition requires isolation; or

(*3*) When a patient (in need of immediate inpatient care but not requiring a private room) is admitted to a hospital or other authorized institution that has semiprivate accommodations, but at the time of admission, such accommodations are occupied; or

(*4*) When a patient is admitted to an acute care hospital (general or special) without semiprivate rooms.

(C) *Duration of private room stay*. The allowable cost of private accommodations is covered under the circumstances described in paragraph (b)(5)(i)(B) of this section until the patient's condition no longer requires the private room for medical reasons or medical isolation; or, in the case of the patient not requiring a private room, when a semiprivate accommodation becomes available; or, in the case of an acute care hospital (general or special) which does not have semiprivate rooms, for the duration of an otherwise covered inpatient stay.

(D) *Hospital (except an acute care hospital, general or special) or other authorized institutional provider without semiprivate accommodations*. When a beneficiary is admitted to a hospital (except an acute care hospital, general or

special) or other institution that has no semiprivate accommodations, for any inpatient day when the patient qualifies for use of a private room (as set forth in paragraphs (b)(5)(i)(B) (*1*) and (*2*) of this section) the allowable cost of private accommodations is covered. For any inpatient day in such a hospital or other authorized institution when the patient does not require medically the private room, the allowable cost of semiprivate accommodations is covered, such allowable costs to be determined by the Director, OCHAMPUS, or a designee.

(ii) *General staff nursing services.* General staff nursing services cover all nursing care (other than that provided by private duty nurses) including, but not limited to, general duty nursing, emergency room nursing, recovery room nursing, intensive nursing care, and group nursing arrangements. Only nursing services provided by nursing personnel on the payroll of the hospital or other authorized institution are eligible under paragraph (b) of this section. If a nurse who is not on the payroll of the hospital or other authorized institution is called in specifically to care for a single patient (individual nursing) or more than one patient (group nursing), whether the patient is billed for the nursing services directly or through the hospital or other institution, such services constitute private duty (special) nursing services and are not eligible for benefits under this paragraph (the provisions of paragraph (c)(2)(xv) of this section would apply).

(iii) *ICU.* An ICU is a special segregated unit of a hospital in which patients are concentrated, by reason of serious illness, usually without regard to diagnosis. Special lifesaving techniques and equipment are available regularly and immediately within the unit, and patients are under continuous observation by a nursing staff specially trained and selected for the care of this type of patient. The unit is maintained on a continuing, rather than an intermittent or temporary, basis. It is not a postoperative recovery room or a postanesthesia room. In some large or highly specialized hospitals, the ICUs may be refined further for special purposes, such as for respiratory conditions, cardiac surgery, coronary care, burn care, or neurosurgery. For purposes of CHAMPUS, these specialized units would be considered ICUs if they otherwise conformed to the definition of an ICU.

(iv) *Treatment rooms.* Standard treatment rooms include emergency rooms, operating rooms, recovery rooms, special treatment rooms, and hyperbaric chambers and all related necessary medical staff and equipment. To be recognized for purposes of CHAMPUS, treatment rooms must be so designated and maintained by the hospital or other authorized institutions on a continuing basis. A treatment room set up on an intermittent or temporary basis would not be so recognized.

(v) *Drugs and medicines.* Drugs and medicines are included as a supply of a hospital or other authorized institution only under the following conditions:

(A) They represent a cost to the facility rendering treatment;

(B) They are furnished to a patient receiving treatment, and are related directly to that treatment; and

(C) They are ordinarily furnished by the facility for the care and treatment of inpatients.

(vi) *Durable medical equipment, medical supplies, and dressings.* Durable medical equipment, medical supplies, and dressings are included as a supply of a hospital or other authorized institution only under the following conditions:

(A) If ordinarily furnished by the facility for the care and treatment of patients; and

(B) If specifically related to, and in connection with, the condition for which the patient is being treated; and

(C) If ordinarily furnished to a patient for use in the hospital or other authorized institution (except in the case of a temporary or disposable item); and

(D) Use of durable medical equipment is limited to those items provided while the patient is an inpatient. If such equipment is provided for use on an outpatient basis, the provisions of paragraph (d) of this section apply.

(vii) *Transitional use items.* Under certain circumstances, a temporary or disposable item may be provided for use beyond an inpatient stay, when such

item is necessary medically to permit or facilitate the patient's departure from the hospital or other authorized institution, or which may be required until such time as the patient can obtain a continuing supply; or it would be unreasonable or impossible from a medical standpoint to discontinue the patient's use of the item at the time of termination of his or her stay as an inpatient.

(viii) *Anesthetics and oxygen.* Anesthetics and oxygen and their administration are considered a service or supply if furnished by the hospital or other authorized institution, or by others under arrangements made by the facility under which the billing for such services is made through the facility.

(6) *Inpatient mental health services.* Inpatient mental health services are those services furnished by institutional and professional providers for treatment of a nervous or mental disorder (as defined in § 199.2) to a patient admitted to a CHAMPUS-authorized acute care general hospital; a psychiatric hospital; or, unless otherwise exempted, a special institutional provider.

(i) *Criteria for determining medical or psychological necessity.* In determining the medical or psychological necessity of acute inpatient mental health services, the evaluation conducted by the Director, OCHAMPUS (or designee) shall consider the appropriate level of care for the patient, the intensity of services required by the patient, and the availability of that care. The purpose of such acute inpatient care is to stabilize a life-threatening or severely disabling condition within the context of a brief, intensive model of inpatient care in order to permit management of the patient's condition at a less intensive level of care. Such care is appropriate only if the patient requires services of an intensity and nature that are generally recognized as being effectively and safely provided only in an acute inpatient hospital setting. In addition to the criteria set forth in this paragraph (b)(6) of this section, additional evaluation standards, consistent with such criteria, may be adopted by the Director, OCHAMPUS (or designee). Acute inpatient care shall not be considered necessary unless the patient needs to be observed and assessed on a 24-hour basis by skilled nursing staff, and/or requires continued intervention by a multidisciplinary treatment team; and in addition, at least one of the following criteria is determined to be met:

(A) Patient poses a serious risk of harm to self and/or others.

(B) Patient is in need of high dosage, intensive medication or somatic and/or psychological treatment, with potentially serious side effects.

(C) Patient has acute disturbances of mood, behavior, or thinking.

(ii) *Emergency admissions.* Admission to an acute inpatient hospital setting may be on an emergency or on a non-emergency basis. In order for an admission to qualify as an emergency, the following criteria, in addition to those in paragraph (b)(6)(i) of this section, must be met:

(A) The patient must be at immediate risk of serious harm to self and or others based on a psychiatric evaluation performed by a physician (or other qualified mental health professional with hospital admission authority); and

(B) The patient requires immediate continuous skilled observation and treatment at the acute psychiatric level of care.

(iii) *Preauthorization requirements.* (A) All non-emergency admissions to an acute inpatient hospital level of care must be authorized prior to the admission. The criteria for preauthorization shall be those set forth in paragraph (b)(6)(i) of this section. In applying those criteria in the context of preauthorization review, special emphasis is placed on the development of a specific individualized treatment plan, consistent with those criteria and reasonably expected to be effective, for that individual patient.

(B) The timetable for development of the individualized treatment plan shall be as follows:

(*1*) The development of the plan must begin immediately upon admission.

(*2*) A preliminary treatment plan must be established within 24 hours of the admission.

(*3*) A master treatment plan must be established within five calendar days of the admission.

(C) The elements of the individualized treatment plan must include:

(*1*) The diagnostic evaluation that establishes the necessity for the admission;

(*2*) An assessment regarding the inappropriateness of services at a less intensive level of care;

(*3*) A comprehensive biopsychosocial assessment and diagnostic formulation;

(*4*) A specific individualized treatment plan that integrates measurable goals/objectives and their required level of care for each of the patient's problems that are a focus of treatment;

(*5*) A specific plan for involvement of family members, unless therapeutically contraindicated; and

(*6*) A discharge plan, including an objective of referring the patient to further services, if needed, at less intensive levels of care within the benefit limit period.

(D) The request for preauthorization must be received by the reviewer designated by the Director, OCHAMPUS prior to the planned admission. In general, the decision regarding preauthorization shall be made within one business day of receipt of a request for preauthorization, and shall be followed with written confirmation. In the case of an authorization issued after an admission resulting from approval of a request made prior to the admission, the effective date of the certification shall be the date of the receipt of the request. However, if the request on which the approved authorization is based was made after the admission (and the case was not an emergency admission), the effective date of the authorization shall be the date of approval.

(E) Authorization prior to admission is not required in the case of a psychiatric emergency requiring an inpatient acute level of care, but authorization for a continuation of services must be obtained promptly. Admissions resulting from a bona fide psychiatric emergency should be reported within 24 hours of the admission or the next business day after the admission, but must be reported to the Director, OCHAMPUS or a designee, within 72 hours of the admission. In the case of an emergency admission authorization resulting from approval of a request made within 72 hours of the admission, the effective date of the authorization shall be the date of the admission. However, if it is determined that the case was not a bona fide psychiatric emergency admission (but the admission can be authorized as medically or psychologically necessary), the effective date of the authorization shall be the date of the receipt of the request.

(iv) *Concurrent review*. Concurrent review of the necessity for continued stay will be conducted. The criteria for concurrent review shall be those set forth in paragraph (b)(6)(i) of this section. In applying those criteria in the context of concurrent review, special emphasis is placed on evaluating the progress being made in the active clinical treatment being provided and on developing/refining appropriate discharge plans. In general, the decision regarding concurrent review shall be made within one business day of the review, and shall be followed with written confirmation.

(7) *Emergency inpatient hospital services.* In the case of a medical emergency, benefits can be extended for medically necessary inpatient services and supplies provided to a beneficiary by a hospital, including hospitals that do not meet CHAMPUS standards or comply with the provisions of title VI of the Civil Rights Act, or satisfy other conditions herein set forth. In a medical emergency, medically necessary inpatient services and supplies are those that are necessary to prevent the death or serious impairment of the health of the patient, and that, because of the threat to the life or health of the patient, necessitate, the use of the most accessible hospital available and equipped to furnish such services. The availability of benefits depends upon the following three separate findings and continues only as long as the emergency exists, as determined by medical review. If the case qualified as an emergency at the time of admission to an unauthorized institutional provider and the emergency subsequently is determined no longer to exist, benefits will be extended up through the date of notice to the beneficiary and provider

that CHAMPUS benefits no longer are payable in that hospital.

(i) *Existence of medical emergency.* A determination that a medical emergency existed with regard to the patient's condition;

(ii) *Immediate admission required.* A determination that the condition causing the medical emergency required immediate admission to a hospital to provide the emergency care; and

(iii) *Closest hospital utilized.* A determination that diagnosis or treatment was received at the most accessible (closest) hospital available and equipped to furnish the medically necessary care.

(8) *RTC day limit.* (i) With respect to mental health services provided on or after October 1, 1991, benefits for residential treatment are generally limited to 150 days in a fiscal year or 150 days in an admission (not including days of care prior to October 1, 1991). The RTC benefit limit is separate from the benefit limit for acute inpatient mental health care.

(ii) *Waiver of the RTC day limit.* (A) There is a statutory presumption against the appropriateness of residential treatment services in excess of the 150 day limit. However, the Director, OCHAMPUS, (or designee) may in special cases, after considering the opinion of the peer review designated by the Director (involving a health professional who is not a federal employee) confirming that applicable criteria have been met, waive the RTC benefit limit in paragraph (b)(8)(i) of this section and authorize payment for care beyond that limit.

(B) The criteria for waiver shall be those set forth in paragraph (b)(4)(vii) of this section. In applying those criteria to the context of waiver request reviews, special emphasis is placed on assuring that the record documents that:

(*1*) Active treatment has taken place for the past 150 days and substantial progress has been made according to the plan of treatment.

(*2*) The progress made is insufficient, due to the complexity of the illness, for the patient to be discharged to a less intensive level of care.

(*3*) Specific evidence is presented to explain the factors which interfered with treatment progress during the 150 days of RTC care.

(*4*) The waiver request includes specific timeframes and a specific plan of treatment which will lead to discharge.

(C) Where family or social issues complicate transfer to a lower level of intensity, the RTC is responsible for determining and arranging the supportive and adjunctive resources required to permit appropriate transfer. If the RTC fails adequately to meet this responsibility, the existence of such family or social issues shall be an inadequate basis for a waiver of the benefit limit.

(D) It is the responsibility of the patient's primary care provider to establish, through actual documentation from the medical record and other sources, that the conditions for waiver exist.

(iii) RTC day limits do not apply to services provided under the Program for Persons with Disabilities (§ 199.5) or services provided as partial hospitalization care.

(9) *Acute care day limits.* (i) With respect to mental health care services provided on or after October 1, 1991, payment for inpatient acute hospital care is, in general, statutorily limited as follows:

(A) Adults, aged 19 and over—30 days in a fiscal year or 30 days in an admission (excluding days provided prior to October 1, 1991).

(B) Children and adolescents, aged 18 and under—45 days in a fiscal year or 45 days in an admission (excluding days provided prior to October 1, 1991).

(ii) It is the patient's age at the time of admission that determines the number of days available.

(iii) *Waiver of the acute care day limits.* (A) There is a statutory presumption against the appropriateness of inpatient acute services in excess of the day limits set forth in paragraph (b)(9)(i) of this section. However, the Director, OCHAMPUS (or designee) may in special cases, after considering the opinion of the peer review designated by the Director (involving a health professional who is not a federal employee) confirming that applicable criteria have been met, waive the acute inpatient limits described in paragraph

(b)(9)(i) of this section and authorize payment for care beyond those limits.

(B) The criteria for waiver of the acute inpatient limit shall be those set forth in paragraph (b)(6)(i) of this section. In applying those criteria in the context of waiver request review, special emphasis is placed on determining whether additional days of acute inpatient mental health care are medically/psychologically necessary to complete necessary elements of the treatment plan prior to implementing appropriate discharge planning. A waiver may also be granted in cases in which a patient exhibits well-documented new symptoms, maladaptive behavior, or medical complications which have appeared in the inpatient setting requiring a significant revision to the treatment plan.

(C) The clinician responsible for the patient's care is responsible for documenting that a waiver criterion has been met and must establish an estimated length of stay beyond the date of the inpatient limit. There must be evidence of a coherent and specific plan for assessment, intervention and reassessment that reasonably can be accomplished within the time frame of the additional days of coverage requested under the waiver provision.

(D) For patients in care at the time the inpatient limit is reached, a waiver must be requested prior to the limit. For patients being readmitted after having received 30 or 45 days in the fiscal year, the waiver review will be conducted at the time of the preadmission authorization.

(iv) Acute care day limits do not apply to services provided under the Program for Persons with Disabilities (§ 199.5) or services provided as partial hospitalization care.

(10) *Psychiatric partial hospitalization services.*

(i) *In general.* Partial hospitalization services are those services furnished by a CHAMPUS-authorized partial hospitalization program and authorized mental health providers for the active treatment of a mental disorder. All services must follow a medical model and vest patient care under the general direction of a licensed psychiatrist employed by the partial hospitalization center to ensure medication and physical needs of all the patients are considered. The primary or attending provider must be a CHAMPUS authorized mental health provider, operating within the scope of his/her license. These categories include physicians, clinical psychologists, certified psychiatric nurse specialists, clinical social workers, marriage and family counselors, pastoral counselors and mental health counselors. Partial hospitalization services are covered as a basic program benefit only if they are provided in accordance with paragraph (b)(10) of this section.

(ii) *Criteria for determining medical or psychological necessity of psychiatric partial hospitalization services.* Psychiatric partial hospitalization services will be considered necessary only if all of the following conditions are present:

(A) The patient is suffering significant impairment from a mental disorder (as defined in § 199.2) which interferes with age appropriate functioning.

(B) The patient is unable to maintain himself or herself in the community, with appropriate support, at a sufficient level of functioning to permit an adequate course of therapy exclusively on an outpatient basis (but is able, with appropriate support, to maintain a basic level of functioning to permit partial hospitalization services and presents no substantial imminent risk of harm to self or others).

(C) The patient is in need of crisis stabilization, treatment of partially stabilized mental health disorders, or services as a transition from an inpatient program.

(D) The admission into the partial hospitalization program is based on the development of an individualized diagnosis and treatment plan expected to be effective for that patient and permit treatment at a less intensive level.

(iii) *Preauthorization and concurrent review requirements.* All preadmission authorization and concurrent review requirements and procedures applicable to acute mental health inpatient hospital care in paragraphs (a)(12) and (b) of this section are applicable to the partial hospitalization program, except that the criteria for considering medical or psychological necessity shall be those set forth in paragraph (b)(10)(ii) of this section, and no emergency admissions will be recognized.

(iv) *Institutional benefits limited to 60 days.* Benefits for institutional services for partial hospitalization are limited to 60 treatment days (whether a full day or partial day program) in a fiscal year or in an admission. This limit may be extended by waiver.

(v) *Waiver of the 60-day partial hospitalization program limit.* The Director, OCHAMPUS (or designee) may, in special cases, waive the 60-day partial hospitalization benefit and authorize payment for care beyond the 60-day limit.

(A) the criteria for waiver are set forth in paragraph (b)(10)(ii) of this section. In applying these criteria in the context of waiver request review, special emphasis is placed on determining whether additional days of partial hospitalization are medically/psychologically necessary to complete essential elements of the treatment plan prior to discharge. Consideration is also given in cases in which a patient exhibits well-documented new symptoms or maladaptive behaviors which have appeared in the partial hospitalization setting requiring significant revisions to the treatment plan.

(B) The clinician responsible for the patient's care is responsible for documenting the need for additional days and must establish an estimated length of stay beyond the date of the 60-day limit. There must be evidence of a coherent and specific plan for assessment, intervention and reassessment that reasonably can be accomplished within the time frame of the additional days of coverage requested under the waiver provisions.

(C) For patients in care at the time the partial hospitalization program limit is reached, a waiver must be requested prior to the limit. For patients being preadmitted after having received 60 days in the fiscal year, the waiver review will be conducted at the time of the preadmission authorization.

(vi) *Services and supplies.* The following services and supplies are included in the per diem rate approved for an authorized partial hospitalization program:

(A) *Board.* Includes use of the partial hospital facilities such as food service, supervised therapeutically constructed recreational and social activities, and other general services as considered appropriate by the Director, OCHAMPUS, or a designee.

(B) *Patient assessment.* Includes the assessment of each individual accepted by the facility, and must, at a minimum, consist of a physical examination; psychiatric examination; psychological assessment; assessment of physiological, biological and cognitive processes; developmental assessment; family history and assessment; social history and assessment; educational or vocational history and assessment; environmental assessment; and recreational/activities assessment. Assessments conducted within 30 days prior to admission to a partial program may be used if approved and deemed adequate to permit treatment planning by the partial hospital program.

(C) *Psychological testing.*

(D) *Treatment services.* All services, supplies, equipment and space necessary to fulfill the requirements of each patient's individualized diagnosis and treatment plan (with the exception of the five psychotherapy sessions per week which may be allowed separately for individual or family psychotherapy based upon the provisions of paragraph (b)(10)(vii) of this section). All mental health services must be provided by a CHAMPUS authorized individual professional provider of mental health services. [Exception: PHPs that employ individuals with master's or doctoral level degrees in a mental health discipline who do not meet the licensure, certification and experience requirements for a qualified mental health provider but are actively working toward licensure or certification, may provide services within the all-inclusive per diem rate but the individual must work under the clinical supervision of a fully qualified mental health provider employed by the PHP.]

(vii) *Social services required.* The facility must provide an active social services component which assures the patient appropriate living arrangements after treatment hours, transportation to and from the facility, arrangement of community based support services, referral of suspected child abuse to the appropriate state agencies, and effective after care arrangements, at a minimum.

(viii) *Educational services required.* Programs treating children and adolescents must ensure the provision of a state certified educational component which assures that patients do not fall behind in educational placement while receiving partial hospital treatment. CHAMPUS will not fund the cost of educational services separately from the per diem rate. The hours devoted to education do not count toward the therapeutic half or full day program.

(ix) *Family therapy required.* The facility must ensure the provision of an active family therapy treatment component which assures that each patient and family participate at least weekly in family therapy provided by the institution and rendered by a CHAMPUS authorized individual professional provider of mental health services. There is no acceptable substitute for family therapy. An exception to this requirement may be granted on a case-by-case basis by the Director, OCHAMPUS, or designee, only if family therapy is clinically contraindicated.

(x) *Professional mental health benefits limited.* Professional mental health benefits are limited to a maximum of one session (60 minutes individual, 90 minutes family) per authorized treatment day not to exceed five sessions in any calendar week. These may be billed separately from the partial hospitalization per diem rate only when rendered by an attending, CHAMPUS-authorized mental health professional who is not an employee of, or under contract with, the partial hospitalization program for purposes of providing clinical patient care.

(xi) *Non-mental health related medical services.* Separate billing will be allowed for otherwise covered, non-mental health related medical services.

(c) *Professional services benefit*—(1) *General.* Benefits may be extended for those covered services described in paragraph (c) of this section that are provided in accordance with good medical practice and established standards of quality by physicians or other authorized individual professional providers, as set forth in §199.6 of this part. Such benefits are subject to all applicable definitions, conditions, exceptions, limitations, or exclusions as maybe otherwise set forth in this or other Sections of this part. Except as otherwise specifically authorized, to be considered for benefits under paragraph (c) of this section, the described services must be rendered by a physician, or prescribed, ordered, and referred medically by a physician to other authorized individual professional providers. Further, except under specifically defined circumstances, there should be an attending physician in any episode of care. (For example, certain services of a clinical psychologist are exempt from this requirement. For these exceptions, refer to §199.6.)

(i) *Billing practices.* To be considered for benefits under paragraph (c) of this section, covered professional services must be performed personally by the physician or other authorized individual professional provider, who is other than a salaried or contractual staff member of a hospital or other authorized institution, and who ordinarily and customarily bills on a fee-for-service basis for professional services rendered. Such billings must be itemized fully and be sufficiently descriptive to permit CHAMPUS to determine whether benefits are authorized by this part. See paragraph (c)(3)(xiii) of this section for the requirements regarding the special circumstances for teaching physicians. For continuing professional care, claims should be submitted to the appropriate CHAMPUS fiscal intermediary at least every 30 days either by the beneficiary or sponsor, or directly by the physician or other authorized individual professional provider on behalf of a beneficiary (refer to §199.7).

(ii) *Services must be related.* Covered professional services must be rendered in connection with and directly related to a covered diagnosis or definitive set of symptoms requiring medically necessary treatment.

(2) *Covered services of physicians and other authorized profession providers.*

(i) *Surgery.* Surgery means operative procedures, including related preoperative and postoperative care; reduction of fractures and dislocations; injection and needling procedures of the joints; laser surgery of the eye; and the following procedures:

Bronchoscopy
Laryngoscopy

Thoracoscopy
Catheterization of the heart
Arteriograph thoracic lumbar
Esophagoscopy
Gastroscopy
Proctoscopy
Sigmoidoscopy
Peritoneoscopy
Cystoscopy
Colonscopy
Upper G.I. panendoscopy
Encephalograph
Myelography
Discography
Visualization of intracranial aneurysm by intracarotid injection of dye, with exposure of carotid artery, unilateral
Ventriculography
Insufflation of uterus and fallopian tubes for determination of tubal patency (Rubin's test of injection of radiopaque medium or for dilation)
Introduction of opaque media into the cranial arterial system, preliminary to cerebral arteriography, or into vertebral and subclavian systems
Intraspinal introduction of air preliminary to pneumoencephalography
Intraspinal introduction of opaque media preliminary to myelography
Intraventricular introduction of air preliminary to ventriculography

NOTE: The Director, OCHAMPUS, or a designee, shall determine such additional procedures that may fall within the intent of this definition of ''surgery.''

(ii) *Surgical assistance.*

(iii) *Inpatient medical services.*

(iv) *Outpatient medical services.*

(v) *Psychiatric services.*

(vi) *Consultation services.*

(vii) *Anesthesia services.*

(viii) *Radiation therapy services.*

(ix) *X-ray services.*

(x) *Laboratory and pathological services.*

(xi) *Physical medicine services or physiatry services.*

(xii) *Maternity care.*

(xiii) *Well-child care.*

(xiv) *Other medical care.* Other medical care includes, but is not limited to, hemodialysis, inhalation therapy, shock therapy, and chemotherapy. The Director, OCHAMPUS, or a designee, shall determine those additional medical services for which benefits may be extended under this paragraph.

NOTE: A separate professional charge for the oral administration of approved antineoplastic drugs is not covered.

(xv) *Private duty (special) nursing services.*

(xvi) *Routine eye examinations.* Coverage for routine eye examinations is limited to dependents of active duty members, to one examination per calendar year per person, and to services rendered on or after October 1, 1984, except as provided under paragraph (c)(3)(xi) of this section.

(3) *Extent of professional benefits*—

(i) *Multiple Surgery.* In cases of multiple surgical procedures performed during the same operative session, benefits shall be extended as follows:

(A) One hundred (100) percent of the CHAMPUS-determined allowable charge for the major surgical procedure (the procedure for which the greatest amount is payable under the applicable reimbursement method); and

(B) Fifty (50) percent of the CHAMPUS-determined allowable charge for each of the other surgical procedures;

(C) Except that:

(*1*) If the multiple surgical procedures involve the fingers or toes, benefits for the first surgical procedure shall be at one hundred (100) percent of the CHAMPUS-determined allowable charge; the second procedure at fifty (50) percent; and the third and subsequent procedures at twenty-five (25) percent.

(*2*) If the multiple surgical procedures include an incidental procedure, no benefits shall be allowed for the incidental procedure.

(*3*) If the multiple surgical procedures involve specific procedures identified by the Director, OCHAMPUS, benefits shall be limited as set forth in CHAMPUS instructions.

(ii) *Different types of inpatient care, concurrent.* If a beneficiary receives inpatient medical care during the same admission in which he or she also receives surgical care or maternity care, the beneficiary shall be entitled to the greater of the CHAMPUS-determined allowable charge for either the inpatient medical care or surgical or maternity care received, as the case may be, but not both; except that the provisions of this paragraph (c)(3)(ii) shall not apply if such inpatient medical

care is for a diagnosed condition requiring inpatient medical care not related to the condition for which surgical care or maternity care is received, and is received from a physician other than the one rendering the surgical care or maternity care.

NOTE: This provision is not meant to imply that when extra time and special effort are required due to postsurgical or postdelivery complications, the attending physician may not request special consideration for a higher than usual charge.

(iii) *Need for surgical assistance.* Surgical assistance is payable only when the complexity of the procedure warrants a surgical assistant (other than the surgical nurse or other such operating room personnel), subject to utilization review. In order for benefits to be extended for surgical assistance service, the primary surgeon may be required to certify in writing to the nonavailability of a qualified intern, resident, or other house physician. When a claim is received for a surgical assistant involving the following circumstances, special review is required to ascertain whether the surgical assistance service meets the medical necessity and other requirements of paragraph (c) of this section.

(A) If the surgical assistance occurred in a hospital that has a residency program in a specialty appropriate to the surgery;

(B) If the surgery was performed by a team of surgeons;

(C) If there were multiple surgical assistants; or

(D) If the surgical assistant was a partner of or from the same group of practicing physicians as the attending surgeon.

(iv) *Aftercare following surgery.* Except for those diagnostic procedures classified as surgery in paragraph (c) of this section, and injection and needling procedures involving the joints, the benefit payments made for surgery (regardless of the setting in which it is rendered) include normal aftercare, whether the aftercare is billed for by the physician or other authorized individual professional provider on a global, all-inclusive basis, or billed for separately.

(v) *Cast and sutures, removal.* The benefit payments made for the application of a cast or of sutures normally covers the postoperative care including the removal of the cast or sutures. When the application is made in one geographical location and the removal of the cast or sutures must be done in another geographical location, a separate benefit payment may be provided for the removal. The intent of this provision is to provide a separate benefit only when it is impracticable for the beneficiary to use the services of the provider that applied the cast originally. Benefits are not available for the services of a second provider if those services reasonably could have been rendered by the individual professional provider who applied the cast or sutures initially.

(vi) *Inpatient care, concurrent.* Concurrent inpatient care by more than one individual professional provider is covered if required because of the severity and complexity of the beneficiary's condition or because the beneficiary has multiple conditions that require treatment by providers of different specialities. Any claim for concurrent care must be reviewed before extending benefits in order to ascertain the condition of the beneficiary at the time the concurrent care was rendered. In the absence of such determination, benefits are payable only for inpatient care rendered by one attending physician or other authorized individual professional provider.

(vii) *Consultants who become the attending surgeon.* A consultation performed within 3 days of surgery by the attending physician is considered a preoperative examination. Preoperative examinations are an integral part of the surgery and a separate benefit is not payable for the consultation. If more than 3 days elapse between the consultation and surgery (performed by the same physician), benefits may be extended for the consultation, subject to review.

(viii) *Anesthesia administered by the attending physician.* A separate benefit is not payable for anesthesia administered by the attending physician (surgeon or obstetrician) or dentist, or by the surgical, obstetrical, or dental assistant.

(ix) *Treatment of mental disorders.* CHAMPUS benefits for the treatment

of mental disorders are payable for beneficiaries who are outpatients or inpatients of CHAMPUS-authorized general or psychiatric hospitals, RTCs, or specialized treatment facilities, as authorized by the Director, OCHAMPUS, or a designee. All such services are subject to review for medical or psychological necessity and for quality of care. The Director, OCHAMPUS, reserves the right to require preauthorization of mental health services. Preauthorization may be conducted by the Director, OCHAMPUS, or a designee. In order to qualify for CHAMPUS mental health benefits, the patient must be diagnosed by a CHAMPUS-authorized licensed, qualified mental health professional to be suffering from a mental disorder, according to the criteria listed in the most current edition of the Diagnostic and Statistical Manual of Mental Disorders which may be purchased from the American Psychiatric Press, Inc., 1400 K Street, NW., suite 1101, Washington, DC 20005. Benefits are limited for certain mental disorders, such as specific developmental disorders. No benefits are payable for ''Conditions Not Attributable to a Mental Disorder,'' or V codes. In order for treatment of a mental disorder to be medically or psychologically necessary, the patient must, as a result of a diagnosed mental disorder, be experiencing both physical or psychological distress and an impairment in his or her ability to function in appropriate occupational, educational or social roles. It is generally the degree to which the patient's ability to function is impaired that determines the level of care (if any) required to treat the patient's condition.

(A) *Covered diagnostic and therapeutic services.* Subject to the requirements and limitations stated, CHAMPUS benefits are payable for the following services when rendered in the diagnosis or treatment of a covered mental disorder by a CHAMPUS-authorized, qualified mental health provider practicing within the scope of his or her license. Qualified mental health providers are: psychiatrists or other physicians; clinical psychologists, certified psychiatric nurse specialists, clinical social workers, and certified marriage and family therapists; and pastoral and mental health counselors under a physician's supervision. No payment will be made for any service listed in paragraph (c)(3)(ix)(A) of this section rendered by an individual who does not meet the criteria of § 199.6 for his or her respective profession, regardless of whether the provider is an independent professional provider or an employee of an authorized professional or institutional provider.

(*1*) *Individual psychotherapy, adult or child.* A covered individual psychotherapy session is no more than 60 minutes in length. An individual psychotherapy session of up to 120 minutes in length is payable for crisis intervention.

(*2*) *Group psychotherapy.* A covered group psychotherapy session is no more than 90 minutes in length.

(*3*) *Family or conjoint psychotherapy.* A covered family or conjoint psychotherapy session is no more than 90 minutes in length. A family or conjoint psychotherapy session of up to 180 minutes in length is payable for crisis intervention.

(*4*) *Psychoanalysis.* Psychoanalysis is covered when provided by a graduate or candidate of a psychoanalytic training institution recognized by the American Psychoanalytic Association and when preauthorized by the Director, OCHAMPUS, or a designee.

(*5*) *Psychological testing and assessment.* Psychological testing and assessment is generally limited to six hours of testing in a fiscal year when medically or psychologically necessary and in conjunction with otherwise covered psychotherapy. Testing or assessment in excess of these limits requires review for medical necessity. Benefits will not be provided for the Reitan-Indiana battery when administered to a patient under age five, for self-administered tests administered to patients under age 13, or for psychological testing and assessment as part of an assessment for academic placement.

(*6*) *Administration of psychotropic drugs.* When prescribed by an authorized provider qualified by licensure to prescribe drugs.

(*7*) *Electroconvulsive treatment.* When provided in accordance with guidelines issued by the Director, OCHAMPUS.

(*8*) *Collateral visits.* Covered collateral visits are those that are medically or psychologically necessary for the treatment of the patient and, as such, are considered as a psychotherapy session for purposes of paragraph (c)(3)(ix)(B) of this section.

(B) *Limitations and review requirements—(1) Outpatient psychotherapy.* Outpatient psychotherapy generally is limited to a maximum of two psychotherapy sessions per week, in any combination of individual, family, conjoint, collateral, or group sessions. Before benefits can be extended for more than two outpatient psychotherapy sessions per week, professional review of the medical or psychological necessity for and appropriateness of the more intensive therapy is required.

(*2*) *Inpatient psychotherapy.* Coverage of inpatient psychotherapy is based on medical or psychological necessity for the services identified in the patient's treatment plan. As a general rule, up to five psychotherapy sessions per week are considered appropriate when specified in the treatment as necessary to meet certain measurable/observable goals and objectives. Additional sessions per week or more than one type of psychotherapy sessions performed on the same day (for example, an individual psychotherapy session and a family psychotherapy session on the same day) could be considered for coverage, depending on the medical or psychological necessity for the services. Benefits for inpatient psychotherapy will end automatically when authorization has been granted for the maximum number of inpatient mental health days in accordance with the limits as described in this section, unless additional coverage is granted by the Director, OCHAMPUS or a designee.

(C) *Covered ancillary therapies.* Includes art, music, dance, occupational, and other ancillary therapies, when included by the attending provider in an approved inpatient, residential treatment plan and under the clinical supervision of a licensed doctoral level mental health professional. These ancillary therapies are not separately reimbursed professional services but are included within the institutional reimbursement.

(D) *Review of claims for treatment of mental disorder.* The Director, OCHAMPUS, shall establish and maintain procedures for review, including professional review, of the services provided for the treatment of mental disorders.

(x) *Physical and occupational therapy.* Assessment and treatment services of a CHAMPUS-authorized physical or occupational therapist may be cost-shared when:

(A) The services are prescribed and monitored by a physician;

(B) The purpose of the prescription is to reduce the disabling effects of an illness, injury, or neuromuscular disorder; and

(C) The prescribed treatment increases, stabilizes, or slows the deterioration of the beneficiary's ability to perform specified purposeful activity in the manner, or within the range considered normal, for a human being.

(xi) *Well-child care.* Benefits routinely are covered for well-child care from birth to under six years of age. These periodic health examinations are designed for prevention, early detection and treatment of disease and consist of screening procedures, immunizations and risk counseling.

(A) The following services are covered when required as a part of the specific well-child care program and when rendered by the attending pediatrician, family physician, certified nurse practitioner, or certified physician assistant.

(*1*) Newborn examination, heredity and metabolic screening, and newborn circumcision.

(*2*) Periodic health supervision visits, in accordance with American Academy of Pediatrics (AAP) guidelines, intended to promote the optimal health for infants and children to include the following services:

(*i*) History and physical examination and mental health assessment.

(*ii*) Vision, hearing, and dental screening.

(*iii*) Developmental appraisal to include body measurement.

(*iv*) Immunizations as recommenced by the Centers for Disease Control (CDC).

(*v*) Pediatric risk assessment for lead exposure and blood lead level test.

(*vi*) Tuberculosis screening.

(*vii*) Blood pressure screening.

(*viii*) Measurement of hemoglobin and hematocrit for anemia.

(*ix*) Urinalysis.

(*x*) Health guidance and counseling, including breastfeeding and nutrition counseling.

(B) Additional services or visits required because of specific findings or because the particular circumstances of the individual case are covered if medically necessary and otherwise authorized for benefits under CHAMPUS.

(C) The Deputy Assistant Secretary of Defense, Health Services Financing, will determine when such services are separately reimbursable apart from the health supervision visit.

(xii) *Private duty (special) nursing.* Benefits are available for the skilled nursing services rendered by a private duty (special) nurse to a beneficiary requiring intensive skilled nursing care that can only be provided with the technical proficiency and scientific skills of an R.N. The specific skilled nursing services being rendered are controlling, not the condition of the patient or the professional status of the private duty (special) nurse rendering the services.

(A) Inpatient private duty (special) nursing services are limited to those rendered to an inpatient in a hospital that does not have an ICU. In addition, under specified circumstances, private duty (special) nursing in the home setting also is covered.

(B) The private duty (special) nursing care must be ordered and certified to be medically necessary by the attending physician.

(C) The skilled nursing care must be rendered by a private duty (special) nurse who is neither a member of the immediate family nor is a member of the beneficiary's household.

(D) Private duty (special) nursing care does not, except incidentally, include providing services that provide or support primarily the essentials of daily living or acting as a companion or sitter.

(E) If the private duty (special) nursing care services being performed are primarily those that could be rendered by the average adult with minimal instruction or supervision, the services would not qualify as covered private duty (special) nursing services, regardless of whether performed by an R.N., regardless of whether or not ordered and certified to by the attending physician, and regardless of the condition of the patient.

(F) In order for such services to be considered for benefits, a private duty (special) nurse is required to maintain detailed daily nursing notes, whether the case involves inpatient nursing service or nursing services rendered in the home setting.

(G) Claims for continuing private duty (special) nursing care shall be submitted at least every 30 days. Each claim will be reviewed and the nursing care evaluated whether it continues to be appropriate and eligible for benefits.

(H) In most situations involving private duty (special) nursing care rendered in the home setting, benefits will be available only for a portion of the care, that is, providing benefits only for that time actually required to perform medically necessary skilled nursing services. If full-time private duty (special) nursing services are engaged, usually for convenience or to provide personal services to the patient, CHAMPUS benefits are payable only for that portion of the day during which skilled nursing services are rendered, but in no event is less than 1 hour of nursing care payable in any 24-hour period during which skilled nursing services are determined to have been rendered. Such situations often are better accommodated through the use of visiting nurses. This allows the personal services that are not coverable by CHAMPUS to be obtained at lesser cost from other than an R.N. Skilled nursing services provided by visiting nurses are covered under CHAMPUS.

NOTE: When the services of an R.N. are not available, benefits may be extended for the otherwise covered services of a L.P.N. or L.V.N.

(xiii) *Physicians in a teaching setting.*

(A) *Teaching physicians.*

(*1*) *General.* The services of teaching physicians may be reimbursed on an allowable charge basis only when the teaching physician has established an attending physician relationship between the teaching physician and the

patient or when the teaching physician provides distinct, identifiable, personal services (e.g., services rendered as a consultant, assistant surgeon, etc.). Attending physician services may include both direct patient care services or direct supervision of care provided by a physician in training. In order to be considered an attending physician, the teaching physician must:

(*i*) Review the patient's history and the record of examinations and tests in the institution, and make frequent reviews of the patient's progress; and

(*ii*) Personally examine the patient; and

(*iiii*) Confirm or revise the diagnosis and determine the course of treatment to be followed; and

(*iv*) Either perform the physician's services required by the patient or supervise the treatment so as to assure that appropriate services are provided by physicians in training and that the care meets a proper quality level; and

(*v*) Be present and ready to perform any service performed by an attending physician in a nonteaching setting when a major surgical procedure or a complex or dangerous medical procedure is performed; and

(*vi*) Be personally responsible for the patient's care, at least throughout the period of hospitalization.

(*2*) *Direct supervision by an attending physician of care provided by physicians in training.* Payment on the basis of allowable charges may be made for the professional services rendered to a beneficiary by his/her attending physician when the attending physician provides personal and identifiable direction to physicians in training who are participating in the care of the patient. It is not necessary that the attending physician be personally present for all services, but the attending physician must be on the provider's premises and available to provide immediate personal assistance and direction if needed.

(*3*) *Individual, personal services.* A teaching physician may be reimbursed on an allowable charge basis for any individual, identifiable service rendered to a CHAMPUS beneficiary, so long as the service is a covered service and is normally reimbursed separately, and so long as the patient records substantiate the service.

(*4*) *Who may bill.* The services of a teaching physician must be billed by the institutional provider when the physician is employed by the provider or a related entity or under a contract which provides for payment to the physician by the provider or a related entity. Where the teaching physician has no relationship with the provider (except for standard physician privileges to admit patients) and generally treats patients on a fee-for-service basis in the private sector, the teaching physician may submit claims under his/her own provider number.

(B) *Physicians in training.* Physicians in training in an approved teaching program are considered to be ''students'' and may not be reimbursed directly by CHAMPUS for services rendered to a beneficiary when their services are provided as part of their employment (either salaried or contractual) by a hospital or other institutional provider. Services of physicians in training may be reimbursed on an allowable charge basis only if:

(*1*) The physician in training is fully licensed to practice medicine by the state in which the services are performed, and

(*2*) The services are rendered outside the scope and requirements of the approved training program to which the physician in training is assigned.

(d) *Other benefits*—(1) *General.* Benefits may be extended for the allowable charge of those other covered services and supplies described in paragraph (d) of this section, which are provided in accordance with good medical practice and established standards of quality by those other authorized providers described in § 199.6 of this Regulation. Such benefits are subject to all applicable definitions, conditions, limitations, or exclusions as otherwise may be set forth in this or other chapters of this Regulation. To be considered for benefits under paragraph (d) of this section, the described services or supplies must be prescribed and ordered by a physician. Other authorized individual professional providers acting within their scope of licensure may also prescribe and order these services and supplies unless otherwise specified in paragraph (d) of this section. For example, durable medical equipment and

cardiorespiratory monitors can only be ordered by a physician.

(2) *Billing practices.* To be considered for benefits under paragraph (d) of this section, covered services and supplies must be provided and billed for by an authorized provider as set forth in § 199.6 of this part. Such billing must be itemized fully and described sufficiently, even when CHAMPUS payment is determined under the CHAMPUS DRG-based payment system, so that CHAMPUS can determine whether benefits are authorized by this part. Except for claims subject to the CHAMPUS DRG-based payment system, whenever continuing charges are involved, claims should be submitted to the appropriate CHAMPUS fiscal intermediary at least every 30 days (monthly) either by the beneficiary or sponsor or directly by the provider. For claims subject to the CHAMPUS DRG-based payment system, claims may be submitted only after the beneficiary has been discharged or transferred from the hospital.

(3) *Other covered services and supplies*—(i) *Blood.* If whole blood or plasma (or its derivatives) are provided and billed for by an authorized institution in connection with covered treatment, benefits are extended as set forth in paragraph (b) of this section. If blood is billed for directly to a beneficiary, benefits may be extended under paragraph (d) in the same manner as a medical supply.

(ii) *Durable medical equipment*—(A) *Scope of benefit.* Subject to the exceptions in paragraphs (B) and (C) below, only durable medical equipment (DME) which is ordered by a physician for the specific use of the beneficiary, and which complies with the definition of ''Durable Medical Equipment'' in § 199.2 of this part, and which is not otherwise excluded by this Regulation qualifies as a Basic Program benefit.

(B) *Cardiorespiratory monitor exception.* (*1*) When prescribed by a physician who is otherwise eligible as a CHAMPUS individual professional provider, or who is on active duty with a United States Uniformed Service, an electronic cardiorespiratory monitor, including technical support necessary for the proper use of the monitor, may be cost-shared as durable medical equipment when supervised by the prescribing physician for in-home use by:

(*i*) An infant beneficiary who has had an apparent life-threatening event, as defined in guidelines issued by the Director, OCHAMPUS, or a designee, or

(*ii*) An infant beneficiary who is a subsequent or multiple birth biological sibling of a victim of sudden infant death syndrome (SIDS), or

(*iii*) An infant beneficiary whose birth weight was 1,500 grams or less, or

(*iv*) An infant beneficiary who is a pre-term infant with pathologic apnea, as defined in guidelines issued by the Director, OCHAMPUS, or a designee, or

(*v*) Any beneficiary who has a condition or suspected condition designated in guidelines issued by the Director, OCHAMPUS, or a designee, for which the in-home use of the cardiorespiratory monitor otherwise meets Basic Program requirements.

(*2*) The following types of services and items may be cost-shared when provided in conjunction with an otherwise authorized cardiorespiratory monitor:

(*i*) Trend-event recorder, including technical support necessary for the proper use of the recorder.

(*ii*) Analysis of recorded physiological data associated with monitor alarms.

(*iii*) Professional visits for services otherwise authorized by this part, and for family training on how to respond to an apparent life threatening event.

(*iv*) Diagnostic testing otherwise authorized by this part.

(C) *Basic mobility equipment exception.* A wheelchair, or a CHAMPUS-approved alternative, which is medically necessary to provide basic mobility, including reasonable additional cost for medically necessary modifications to accommodate a particular disability, may be cost-shared as durable medical equipment.

(D) *Exclusions.* DME which is otherwise qualified as a benefit is excluded as a benefit under the following circumstances:

(*1*) DME for a beneficiary who is a patient in a type of facility that ordinarily provides the same type of DME item to its patients at no additional charge in the usual course of providing its services.

(*2*) DME which is available to the beneficiary from a Uniformed Services Medical Treatment Facility.

(*3*) DME with deluxe, luxury, or immaterial features which increase the cost of the item to the government relative to a similar item without those features.

(E) *Basis for reimbursement.* The cost of DME may be shared by the CHAMPUS based upon the price which is most advantageous to the government taking into consideration the anticipated duration of the medically necessary need for the equipment and current price information for the type of item. The cost analysis must include comparison of the total price of the item as a monthly rental charge, a lease-purchase price, and a lump-sum purchase price and a provision for the time value of money at the rate determined by the U.S. Department of the Treasury.

(iii) *Medical supplies and dressings (consumables).* Medical supplies and dressings (consumables) are those that do not withstand prolonged, repeated use. Such items must be related directly to an appropriate and verified covered medical condition of the specific beneficiary for whom the item was purchased and obtained from a medical supply company, a pharmacy, or authorized institutional provider. Examples of covered medical supplies and dressings are disposable syringes for a known diabetic, colostomy sets, irrigation sets, and elastic bandages. An external surgical garment specifically designed for use following a mastectomy is considered a medical supply item.

NOTE: Generally, the allowable charge of a medical supply item will be under $100. Any item over this amount must be reviewed to determine whether it would not qualify as a DME item. If it is, in fact, a medical supply item and does not represent an excessive charge, it can be considered for benefits under paragraph (d)(3)(iii) of this section.

(iv) *Oxygen.* Oxygen and equipment for its administration are covered. Benefits are limited to providing a tank unit at one location with oxygen limited to a 30-day supply at any one time. Repair and adjustment of CHAMPUS-purchased oxygen equipment also is covered.

(v) *Ambulance.* Civilian ambulance service is covered when medically necessary in connection with otherwise covered services and supplies and a covered medical condition. Ambulance service is also covered for transfers to a Uniformed Service Medical Treatment Facility (USMTF). For the purpose of CHAMPUS payment, ambulance service is an outpatient service (including in connection with maternity care) with the exception of otherwise covered transfers between hospitals which are cost-shared on an inpatient basis. Ambulance transfers from a hospital based emergency room to another hospital more capable of providing the required care will also be cost-shared on an inpatient basis.

NOTE: The inpatient cost-sharing provisions for ambulance transfers only apply to otherwise covered transfers between hospitals, i.e., acute care, general, and special hospitals; psychiatric hospitals; and long-term hospitals.

(A) Ambulance service is covered for emergency transfers from a beneficiary's place of residence, accident scene, or other location to a USMTF, and for transfer to a USMTF after treatment at, or admission to, a civilian hospital, if ordered by other than a representative of the USMTF.

(B) Ambulance service cannot be used instead of taxi service and is not payable when the patient's condition would have permitted use of regular private transportation; nor is it payable when transport or transfer of a patient is primarily for the purpose of having the patient nearer to home, family, friends, or personal physician. Except as described in paragraph (d)(3)(v)(A) of this section, transport must be to closest appropriate facility by the least costly means.

(C) Vehicles such as medicabs or ambicabs function primarily as public passenger conveyances transporting patients to and from their medical appointments. No actual medical care is provided to the patients in transit. These types of vehicles do not qualify for benefits for the purpose of CHAMPUS payment.

(D) Ambulance services by other than land vehicles (such as a boat or airplane) may be considered only when the pickup point is inaccessible by a

land vehicle, or when great distance or other obstacles are involved in transporting the patient to the nearest hospital with appropriate facilities and the patient's medical condition warrants speedy admission or is such that transfer by other means is contraindicated.

(vi) *Prescription drugs and medicines.* Prescription drugs and medicines that by United States law require a physician's or other authorized individual professional provider's prescription (acting within the scope of their license) and that are ordered or prescribed by a physician or other authorized individual professional provider (except that insulin is covered for a known diabetic, even though a prescription may not be required for its purchase) in connection with an otherwise covered condition or treatment, including Rh immune globulin.

(A) Drugs administered by a physician or other authorized individual professional provider as an integral part of a procedure covered under paragraph (b) or (c) of this section (such as chemotherapy) are not covered under this subparagraph inasmuch as the benefit for the institutional services or the professional services in connection with the procedure itself also includes the drug used.

(B) CHAMPUS benefits may not be extended for drugs not approved by the U.S. Food and Drug Administration for commercial marketing. Drugs grandfathered by the Federal Food, Drug and Cosmetic Act of 1938 may be covered under CHAMPUS as if FDA approved.

(vii) *Prosthetic devices.* The purchase of prosthetic devices is limited to artificial limbs and eyes, except those items that are inserted surgically into the body as an essential and integral part of an otherwise covered surgical procedure are not excluded.

NOTE: In order for CHAMPUS benefits to be extended, any surgical implant must be approved for use in humans by the U.S. Food and Drug Administration. Devices that are approved only for investigational use in humans are not payable.

(viii) *Orthopedic braces and appliances.* The purchase of leg braces (including attached shoes), arm braces, back braces, and neck braces is covered, orthopedic shoes, arch supports, shoe inserts, and other supportive devices for the feet, including special-ordered, custom-made built-up shoes or regular shoes subsequently built up, are not covered.

(e) *Special benefit information*—(1) *General.* There are certain circumstances, conditions, or limitations that impact the extension of benefits and that require special emphasis and explanation. This paragraph (e) sets forth those benefits and limitations recognized to be in this category. The benefits and limitations herein described also are subject to all applicable definitions, conditions, limitations, exceptions, and exclusions as set forth in this or other sections of this part, except as otherwise may be provided specifically in this paragraph (e).

(2) *Abortion.* The statute under which CHAMPUS operates prohibits payment for abortions with one single exception—where the life of the mother would be endangered if the fetus were carried to term. Covered abortion services are limited to medical services and supplies only. Physician certification is required attesting that the abortion was performed because the mother's life would be endangered if the fetus were carried to term. Abortions performed for suspected or confirmed fetal abnormality (e.g., anencephalic) or for mental health reasons (e.g., threatened suicide) do not fall within the exceptions permitted within the language of the statute and are not authorized for payment under CHAMPUS.

NOTE: Covered abortion services are limited to medical services or supplies only for the single circumstance outlined above and do not include abortion counseling or referral fees. Payment is not allowed for any services involving preparation for, or normal followup to, a noncovered abortion. The Director, OCHAMPUS, or a designee, shall issue guidelines describing the policy on abortion.

(3) *Family planning.* The scope of the CHAMPUS family planning benefit is as follows:

(i) *Birth control (such as contraception)*—(A) *Benefits provided.* Benefits are available for services and supplies related to preventing conception, including the following:

(*1*) Surgical inserting, removal, or replacement of intrauterine devices.

(*2*) Measurement for, and purchase of, contraceptive diaphragms (and later remeasurement and replacement).

(*3*) Prescription contraceptives.

(*4*) Surgical sterilization (either male or female).

(B) *Exclusions.* The family planning benefit does not include the following:

(*1*) Prophylactics (condoms).

(*2*) Spermicidal foams, jellies, and sprays not requiring a prescription.

(*3*) Services and supplies related to noncoital reproductive technologies, including but not limited to artificial insemination (including any costs related to donors or semen banks), in-vitro fertilization and gamete intrafallopian transfer.

(*4*) Reversal of a surgical sterilization procedure (male or female).

(ii) *Genetic testing.* Genetic testing essentially is preventive rather than related to active medical treatment of an illness or injury. However, under the family planning benefit, genetic testing is covered when performed in certain high risk situations. For the purpose of CHAMPUS, genetic testing includes to detect developmental abnormalities as well as purely genetic defects.

(A) *Benefits provided.* Benefits may be extended for genetic testing performed on a pregnant beneficiary under the following prescribed circumstances. The tests must be appropriate to the specific risk situation and must meet one of the following criteria:

(*1*) The mother-to-be is 35 years old or older; or

(*2*) The mother- or father-to-be has had a previous child born with a congenital abnormality; or

(*3*) Either the mother- or father-to-be has a family history of congenital abnormalities; or

(*4*) The mother-to-be contracted rubella during the first trimester of the pregnancy; or

(*5*) Such other specific situations as may be determined by the Director, OCHAMPUS, or a designee, to fall within the intent of paragraph (e)(3)(ii) of this section.

(B) *Exclusions.* It is emphasized that routine or demand genetic testing is not covered. Further, genetic testing does not include the following:

(*1*) Tests performed to establish paternity of a child.

(*2*) Tests to determine the sex of an unborn child.

(4) *Treatment of substance use disorders.* Emergency and inpatient hospital care for complications of alcohol and drug abuse or dependency and detoxification are covered as for any other medical condition. Specific coverage for the treatment of substance use disorders includes detoxification, rehabilitation, and outpatient care provided in authorized substance use disorder rehabilitation facilities.

(i) *Emergency and inpatient hospital services.* Emergency and inpatient hospital services are covered when medically necessary for the active medical treatment of the acute phases of substance abuse withdrawal (detoxification), for stabilization, and for treatment of medical complications of substance use disorders. Emergency and inpatient hospital services are considered medically necessary only when the patient's condition is such that the personnel and facilities of a hospital are required. Stays provided for substance use disorder rehabilitation in a hospital-based rehabilitation facility are covered, subject to the provisions of paragraph (e)(4)(ii) of this section. Inpatient hospital services also are subject to the provisions regarding the limit on inpatient mental health services.

(ii) *Authorized substance use disorder treatment.* Only those services provided by CHAMPUS-authorized institutional providers are covered. Such a provider must be either an authorized hospital, or an organized substance use disorder treatment program in an authorized free-standing or hospital-based substance use disorder rehabilitation facility. Covered services consist of any or all of the services listed below. A qualified mental health provider (physicians, clinical psychologists, clinical social workers, psychiatric nurse specialists) (see paragraph (c)(3)(ix) of this section) shall prescribe the particular level of treatment. Each CHAMPUS beneficiary is entitled to three substance use disorder treatment benefit periods in his or her lifetime, unless

this limit is waived pursuant to paragraph (e)(4)(v) of this section. (A benefit period begins with the first date of covered treatment and ends 365 days later, regardless of the total services actually used within the benefit period. Unused benefits cannot be carried over to subsequent benefit periods. Emergency and inpatient hospital services (as described in paragraph (e)(4)(i) of this section) do not constitute substance abuse treatment for purposes of establishing the beginning of a benefit period.)

(A) *Rehabilitative care.* Rehabilitative care in a authorized hospital or substance use disorder rehabilitative facility, whether free-standing or hospital-based, is covered on either a residential or partial care (day or night program) basis. Coverage during a single benefit period is limited to no more than inpatient stay (exclusive of stays classified in DRG 433) in hospitals subject to CHAMPUS DRG-based payment system or 21 days in a DRG-exempt facility for rehabilitation care, unless the limit is waived pursuant to paragraph (e)(4)(v) of this section. If the patient is medically in need of chemical detoxification, but does not require the personnel or facilities of a general hospital setting, detoxification services are covered in addition to the rehabilitative care, but in a DRG-exempt facility detoxification services are limited to 7 days unless the limit is waived pursuant to paragraph (e)(4)(v) of this section. The medical necessity for the detoxification must be documented. Any detoxification services provided by the substance use disorder rehabilitation facility must be under general medical supervision.

(B) *Outpatient care.* Outpatient treatment provided by an approved substance use disorder rehabilitation facility, whether free-standing or hospital-based, is covered for up to 60 visits in a benefit period, unless the limit is waived pursuant to paragraph (e)(4)(v) of this section.

(C) *Family therapy.* Family therapy provided by an approved substance use disorder rehabilitation facility, whether free-standing or hospital-based, is covered for up to 15 visits in a benefit period, unless the limit is waived pursuant to paragraph (e)(4)(v) of this section.

(iii) *Exclusions*—(A) *Aversion therapy.* The programmed use of physical measures, such as electric shock, alcohol, or other drugs as negative reinforcement (aversion therapy) is not covered, even if recommended by a physician.

(B) *Domiciliary settings.* Domiciliary facilities, generally referred to as halfway or quarterway houses, are not authorized providers and charges for services provided by these facilities are not covered.

(iv) *Confidentialty.* Release of any patient identifying information, including that required to adjudicate a claim, must comply with the provisions of section 544 of the Public Health Service Act, as amended, (42 U.S.C. 290dd–3), which governs the release of medical and other information from the records of patients undergoing treatment of substance abuse. If the patient refuses to authorize the release of medical records which are, in the opinion of the Director, OCHAMPUS, or a designee, necessary to determine benefits on a claim for treatment of substance abuse the claim will be denied.

(v) *Waiver of benefit limits.* The specific benefit limits set forth in paragraphs (e)(4)(ii) of this section may be waived by the Director, OCHAMPUS in special cases based on a determination that all of the following criteria are met:

(A) Active treatment has taken place during the period of the benefit limit and substantial progress has been made according to the plan of treatment.

(B) Further progress has been delayed due to the complexity of the illness.

(C) Specific evidence has been presented to explain the factors that interfered with further treatment progress during the period of the benefit limit.

(D) The waiver request includes specific time frames and a specific plan of treatment which will complete the course of treatment.

(5) *Organ transplants.* Basic Program benefits are available for otherwise covered services or supplies in connection with an organ transplant procedure, provided such transplant procedure generally is in accordance with

accepted professional medical standards and is not considered to be experimental or investigational.

(i) *Recipient costs.* CHAMPUS benefits are payable for recipient costs when the recipient of the transplant is a beneficiary, whether or not the donor is a beneficiary.

(ii) *Donor costs.* (A) Donor costs are payable when both the donor and recipient are CHAMPUS beneficiaries.

(B) Donor costs are payable when the donor is a CHAMPUS beneficiary but the recipient is not.

(C) Donor costs are payable when the donor is the sponsor and the recipient is a beneficiary. (In such an event, donor costs are paid as a part of the beneficiary and recipient costs.)

(D) Donor costs also are payable when the donor is neither a CHAMPUS beneficiary nor a sponsor, if the recipient is a CHAMPUS beneficiary. (Again, in such an event, donor costs are paid as a part of the beneficiary and recipient costs.)

(iii) *General limitations.* (A) If the donor is not a beneficiary, CHAMPUS benefits for donor costs are limited to those directly related to the transplant procedure itself and do not include any medical care costs related to other treatment of the donor, including complications.

(B) With respect to kidney transplants, in most cases, Medicare (not CHAMPUS) benefits will be applicable. (Refer to 199.9 (e)(3)(vi), ''Eligibility.'')

(C) Donor transportation costs are excluded whether or not the donor is a beneficiary.

(D) When the organ transplant is performed under a study, grant, or research program, no CHAMPUS benefits are payable for either recipient or donor cost.

(iv) *Kidney acquisition.* With specific reference to acquisition costs for kidneys, each hospital that performs kidney transplants is required for Medicare purposes to develop for each year separate standard acquisition costs for kidneys obtained from live donors and kidneys obtained from cadavers. The standard acquisition cost for cadaver kidneys is compiled by dividing the total cost of cadaver kidneys acquired by the number of transplants using cadaver kidneys. The standard acquisition cost for kidneys from live donors is compiled similarly using the total acquisition cost of kidneys from live donors and the number of transplants using kidneys from live donors. All recipients of cadaver kidneys are charged the same standard cadaver kidney acquisition cost and all recipients of kidneys from live donors are charged the same standard live donor acquisition cost. The appropriate hospital standard kidney acquisition costs (live donor or cadaver) required for Medicare in every instance must be used as the acquisition cost for purposes of providing CHAMPUS benefits.

(v) *Liver transplants.* Effective July 1, 1983, CHAMPUS benefits are payable for services and supplies related to liver transplantation under the following circumstances only:

(A) *Medical indications for liver transplantation.* CHAMPUS shall provide benefits for services and supplies related to liver transplantation performed for beneficiaries suffering from irreversible liver injury who have exhausted alternative medical and surgical treatments, who are approaching the terminal phase of their illness, and who are considered appropriate for liver transplantation according to guidelines adopted by the Director, OCHAMPUS.

(B) *Contraindications.* CHAMPUS shall not provide coverage if any of the following contraindications exist:

(*1*) Active alcohol or other substance abuse;

(*2*) Malignancies metastasized to or extending beyond the margins of the liver; or

(*3*) Viral-induced liver disease when viremia is still present.

(C) *Specific covered services.* CHAMPUS shall provide coverage for the following services related to liver transplantation:

(*1*) Medically necessary services to evaluate a potential candidate's suitability for liver transplantation, whether or not the patient is ultimately accepted as a candidate for transplantation;

(*2*) Medically necessary pre- and post-transplant inpatient hospital and outpatient services;

(*3*) Surgical services and related pre- and post-operative services of the transplant team;

(*4*) Services provided by a donor organ acquisition team, including the costs of transportation to the location of the donor organ and transportation of the team and the donated organ to the location of the transportation center;

(*5*) Medically necessary services required to maintain the viability of the donor organ following a formal declaration of brain death and after all existing legal requirements for excision of the donor organ have been met;

(*6*) Blood and blood products;

(*7*) Services and drugs required for immunosuppression, provided the drugs are approved by the United States Food and Drug Administration;

(*8*) Services and supplies, including inpatient care, which are medically necessary to treat complications of the transplant procedure, including management of infection and rejection episodes; and

(*9*) Services and supplies which are medically necessary for the periodic evaluation and assessment of the successfully transplanted patient.

(D) *Specific noncovered services.* CHAMPUS benefits will not be paid for the following:

(*1*) Services and supplies for which the beneficiary has no legal obligation to pay. For example, CHAMPUS shall not reimburse expenses that are waived by the transplant center, or for which research funds are available; and

(*2*) Out-of-hospital living expenses and any other non-medical expenses, including transportation, of the liver transplant candidate or family members, whether pre- or post-transplant.

(E) *Implementation guidelines.* The Director, OCHAMPUS, shall issue such guidelines as are necessary to implement the provision of this paragraph.

(vi) *Heart transplantations.* CHAMPUS benefits are payable for services and supplies related to heart transplantation under the following circumstances:

(A) *Medical indications for heart transplantation.* CHAMPUS shall provide benefits for services and supplies related to heart transplantation performed for beneficiaries with end-stage cardiac disease who have exhausted alternative medical and surgical treatments, who have a very poor prognosis as a result of poor cardiac functional status, for whom plans for long-term adherence to a disciplined medical regimen are feasible, and who are considered appropriate for heart transplantation according to guidelines adopted by the Director, OCHAMPUS. However, benefits for heart transplantation are available only if the procedure is performed in a CHAMPUS-approved heart transplantation center or meets other certification or accreditation standards recognized by the Director, OCHAMPUS. See § 199.6(b)(4)(iii).

(B) *Specific covered services.* CHAMPUS shall provide coverage for the following services related to heart transplantation:

(*1*) Medically necessary services to evaluate a potential candidate's suitability for heart transplantation, whether or not the patient is ultimately accepted as a candidate for transplantation;

(*2*) Medically necessary pre- and post-transplant inpatient hospital and outpatient services;

(*3*) Surgical services and related pre- and post-operative services of the transplant team;

(*4*) Services provided by the donor acquisition team, including the costs of transportation to the location of the donor organ and transportation of the team and the donated organ to the location of the transplantation center;

(*5*) Medically necessary services required to maintain the viability of the donor organ following a formal declaration of brain death and after all existing legal requirements for excision of the donor organ have been met;

(*6*) Blood and blood products;

(*7*) Services and drugs required for immunosuppression, provided the drugs are approved by the United States Food and Drug Administration;

(*8*) Services and supplies, including inpatient care, which are medically necessary to treat complications of the transplant procedure, including management of infection and rejection episodes; and

(*9*) Services and supplies which are medically necessary for the periodic

evaluation and assessment of the successfully transplanted patient.

(C) *Noncovered services.* CHAMPUS benefits will not be paid for the following:

(*1*) Services and supplies for which the beneficiary has no legal obligation to pay; and

(2) Out-of-hospital living expenses and any other nonmedical expenses, including transportation of the heart transplant candidate or family members, whether pre- or post-transplant.

(D) *Implementation guidelines.* The Director, OCHAMPUS, shall issue such guidelines as are necessary to implement the provisions of this paragraph.

(6) *Eyeglasses, spectacles, contact lenses, or other optical devices.* Eyeglasses, spectacles, contact lenses, or other optical devices are excluded under the Basic Program except under very limited and specific circumstances.

(i) *Exception to general exclusion.* Benefits for glasses and lenses may be extended only in connection with the following specified eye conditions and circumstances:

(A) Eyeglasses or lenses that perform the function of the human lens, lost as a result of intraocular surgery or ocular injury or congenital absence.

NOTE: Notwithstanding the general requirement for U.S. Food and Drug Administration approval of any surgical implant set forth in paragraph (d)(3)(vii) of this section, intraocular lenses are authorized under CHAMPUS if they are either approved for marketing by FDA or are subject to an investigational device exemption.

(B) ''Pinhole'' glasses prescribed for use after surgery for detached retina.

(C) Lenses prescribed as ''treatment'' instead of surgery for the following conditions:

(*1*) Contract lenses used for treatment of infantile glaucoma.

(*2*) Corneal or scleral lenses prescribed in connection with treatment of keratoconus.

(*3*) Scleral lenses prescribed to retain moisture when normal tearing is not present or is inadequate.

(*4*) Corneal or scleral lenses prescribed to reduce a corneal irregularity other than astigmatism.

(ii) *Limitations.* The specified benefits are limited further to one set of lenses related to one of the qualifying eye conditions set forth in paragraph (e)(6)(i) of this section. If there is a prescription change requiring a new set of lenses (but still related to the qualifying eye condition), benefits may be extended for a second set of lenses, subject to specific medical review.

(7) *Transsexualism or such other conditions as gender dysphoria.* All services and supplies directly or indirectly related to transsexualism or such other conditions as gender dysphoria are excluded under CHAMPUS. This exclusion includes, but is not limited to, psychotherapy, prescription drugs, and intersex surgery that may be provided in connection with transsexualism or such other conditions as gender dysphoria. There is only one very limited exception to this general exclusion, that is, notwithstanding the definition of congenital anomaly, CHAMPUS benefits may be extended for surgery and related medically necessary services performed to correct sex gender confusion (that is, ambiguous genitalia) which has been documented to be present at birth.

(8) *Cosmetic, reconstructive, or plastic surgery.* For the purposes of CHAMPUS, cosmetic, reconstructive, or plastic surgery is surgery that can be expected primarily to improve physical appearance or that is performed primarily for psychological purposes or that restores form, but does not correct or improve materially a bodily function.

NOTE: If a surgical procedure primarily restores function, whether or not there is also a concomitant improvement in physical appearance, the surgical procedure does not fall within the provisions set forth in this paragraph (e)(8).

(i) *Limited benefits under CHAMPUS.* Benefits under the Basic Program generally are not available for cosmetic, reconstructive, or plastic surgery. However, under certain limited circumstances, benefits for otherwise covered services and supplies may be provided in connection with cosmetic, reconstructive, or plastic surgery as follows:

(A) Correction of a congenital anomaly; or

(B) Restoration of body form following an accidental injury; or

(C) Revision of disfiguring and extensive scars resulting from neoplastic surgery.

(D) Reconstructive breast surgery following a medically necessary mastectomy performed for the treatment of carcinoma, severe fibrocystic disease, other nonmalignant tumors or traumatic injuries.

(E) Penile implants and testicular prostheses for conditions resulting from organic origins (i.e., trauma, radical surgery, disease process, for correction of congenital anomaly, etc.). Also, penile implants for organic impotency.

NOTE: Organic impotence is defined as that which can be reasonably expected to occur following certain diseases, surgical procedures, trauma, injury, or congenital malformation. Impotence does not become organic because of psychological or psychiatric reasons.

(F) Generally, benefits are limited to those cosmetic, reconstructive, or plastic surgery procedures performed no later than December 31 of the year following the year in which the related accidental injury or surgical trauma occurred, except for authorized postmastectomy breast reconstruction for which there is no time limitation between mastectomy and reconstruction. Also, special consideration for exception will be given to cases involving children who may require a growth period.

(ii) *General exclusions.* (A) For the purposes of CHAMPUS, dental congenital anomalies such as absent tooth buds or malocclusion specifically are excluded. Also excluded are any procedures related to transsexualism or such other conditions as gender dysphoria, except as provided in paragraph (e)(7) of this section.

(B) Cosmetic, reconstructive, or plastic surgery procedures performed primarily for psychological reasons or as a result of the aging process also are excluded.

(C) Procedures performed for elective correction of minor dermatological blemishes and marks or minor anatomical anomalies also are excluded.

(D) In addition, whether or not it would otherwise qualify for benefits under paragraph (e)(8)(i) of this section, the breast augmentation mammoplasty is specifically excluded.

(iii) *Noncovered surgery, all related services and supplies excluded.* When it is determined that a cosmetic, reconstructive, or plastic surgery procedure does not qualify for CHAMPUS benefits, all related services and supplies are excluded, including any institutional costs.

(iv) *Example of noncovered cosmetic, reconstructive, or plastic surgery procedures.* The following is a partial list of cosmetic, reconstructive, or plastic surgery procedures that do not qualify for benefits under CHAMPUS. This list is for example purposes only and is not to be construed as being all-inclusive.

(A) Any procedure performed for personal reasons to improve the appearance of an obvious feature or part of the body that would be considered by an average observer to be normal and acceptable for the patient's age or ethnic or racial background.

(B) Cosmetic, reconstructive, or plastic surgical procedures that are justified primarily on the basis of a psychological or psychiatric need.

(C) Augmentation mammoplasties, except for those performed as a part of postmastectomy breast reconstruction as specifically authorized in paragraph (e)(8)(i)(D) of this section.

(D) Face lifts and other procedures related to the aging process.

(E) Reduction mammoplasties (unless there is medical documentation of intractable pain, not amenable to other forms of treatment, resulting from large, pendulous breasts).

(F) Panniculectomy; body sculpture procedures.

(G) Repair of sagging eyelids (without demonstrated and medically documented significant impairment of vision).

(H) Rhinoplasties (without evidence of accidental injury occurring within the previous 6 months that resulted in significant obstruction of breathing).

(I) Chemical peeling for facial wrinkles.

(J) Dermabrasion of the face.

(K) Elective correction of minor dermatological blemishes and marks or minor anatomical anomalies.

(L) Revision of scars resulting from surgery or a disease process, except disfiguring and extensive scars resulting from neoplastic surgery.

(M) Removal of tattoos.

(N) Hair transplants.

(O) Electrolysis.

(P) Any procedures related to transsexualism or such other conditions as gender dysphoria except as provided in paragraph (e)(7) of this section.

(Q) Penile implant procedure for psychological impotency, transsexualism, or such other conditions as gender dysphoria.

(R) Insertion of prosthetic testicles for transsexualism, or such other conditions as gender dysphoria.

(9) *Complications (unfortunate sequelae) resulting from noncovered initial surgery or treatment.* Benefits are available for otherwise covered services and supplies required in the treatment of complications resulting from a noncovered incident of treatment (such as nonadjunctive dental care, transsexual surgery, and cosmetic surgery) but only if the later complication represents a separate medical condition such as a systemic infection, cardiac arrest, and acute drug reaction. Benefits may not be extended for any later care or procedures related to the complication that essentially is similar to the initial noncovered care. Examples of complications similar to the initial episode of care (and thus not covered) would be repair of facial scarring resulting from dermabrasion for acne or repair of a prolapsed vagina in a biological male who had undergone transsexual surgery.

(10) *Dental.* CHAMPUS does not include a dental benefit. Under very limited circumstances, benefits are available for dental services and supplies when the dental services are adjunctive to otherwise covered medical treatment.

(i) *Adjunctive dental care: Limited.* Adjunctive dental care is limited to those services and supplies provided under the following conditions:

(A) Dental care which is medically necessary in the treatment of an otherwise covered medical (not dental) condition, is an integral part of the treatment of such medical condition and is essential to the control of the primary medical condition. The following is a list of conditions for which CHAMPUS benefits are payable under this provision:

(*1*) Intraoral abscesses which extend beyond the dental alveolus.

(*2*) Extraoral abscesses.

(*3*) Cellulitis and osteitis which is clearly exacerbating and directly affecting a medical condition currently under treatment.

(*4*) Removal of teeth and tooth fragments in order to treat and repair facial trauma resulting from an accidental injury.

(*5*) Myofacial Pain Dysfunction Syndrome.

(*6*) Total or complete ankyloglossia.

(*7*) Adjunctive dental and orthodontic support for cleft palate.

(*8*) The prosthetic replacement of either the maxilla or the mandible due to the reduction of body tissues associated with traumatic injury (e.g., impact, gun shot wound), in addition to services related to treating neoplasms or iatrogenic dental trauma.

NOTE: The test of whether dental trauma is covered is whether the trauma is solely dental trauma. Dental trauma, in order to be covered, must be related to, and an integral part of medical trauma; or a result of medically necessary treatment of an injury or disease.

(B) Dental care required in preparation for medical treatment of a disease or disorder or required as the result of dental trauma caused by the medically necessary treatment of an injury or disease (iatrogenic).

(*1*) Necessary dental care including prophylaxis and extractions when performed in preparation for or as a result of in-line radiation therapy for oral or facial cancer.

(*2*) Treatment of gingival hyperplasia, with or without periodontal disease, as a direct result of prolonged therapy with Dilantin (diphenylhydantoin) or related compounds.

(C) Dental care is limited to the above and similar conditions specifically prescribed by the Director, OCHAMPUS, as meeting the requirements for coverage under the provisions of this section.

(ii) *General exclusions.* (A) Dental care which is routine, preventative, restorative, prosthodontic, periodontic or emergency does not qualify as adjunctive dental care for the purposes of CHAMPUS except when performed in

preparation for or as a result of dental trauma caused by medically necessary treatment of an injury or disease.

(B) The adding or modifying of bridgework and dentures.

(C) Orthodontia, except when directly related to and an integral part of the medical or surgical correction of a cleft palate or when required in preparation for, or as a result of, trauma to the teeth and supporting structures caused by medically necessary treatment of an injury or disease.

(iii) *Preauthorization required.* In order to be covered, adjunctive dental care requires preauthorization from the Director, OCHAMPUS, or a designee, in accordance with paragraph (a)(11) of this section. When adjunctive dental care involves a medical (not dental) emergency (such as facial injuries resulting from an accident), the requirement for preauthorization is waived. Such waiver, however, is limited to the essential adjunctive dental care related to the medical condition requiring the immediate emergency treatment. A complete explanation, with supporting medical documentation, must be submitted with claims for emergency adjunctive dental care.

(iv) *Covered oral surgery.* Notwithstanding the above limitations on dental care, there are certain oral surgical procedures that are performed by both physicians and dentists, and that are essentially medical rather than dental care. For the purposes of CHAMPUS, the following procedures, whether performed by a physician or dentist, are considered to be in this category and benefits may be extended for otherwise covered services and supplies without preauthorization:

(A) Excision of tumors and cysts of the jaws, cheeks, lips, tongue, and roof and floor of the mouth, when such conditions require a pathological (histological) examination.

(B) Surgical procedures required to correct accidental injuries of the jaws, cheeks, lips, tongue, and roof and floor of the mouth.

(C) Treatment of oral or facial cancer.

(D) Treatment of fractures of facial bones.

(E) External (extra-oral) incision and drainage of cellulitis.

(F) Surgery of accessory sinuses, salivary glands, or ducts.

(G) Reduction of dislocations and the excision of the temporomandibular joints, when surgery is a necessary part of the reduction.

(H) Any oral surgical procedure that falls within the cosmetic, reconstructive, or plastic surgery definition is subject to the limitations and requirements set forth in paragraph (e)(8) of this section.

NOTE: Extraction of unerupted or partially erupted, malposed or impacted teeth, with or without the attached follicular or development tissues, is not a covered oral surgery procedure except when the care is indicated in preparation for medical treatment of a disease or disorder or required as a result of dental trauma caused by the necessary medical treatment of an injury or illness. Surgical preparation of the mouth for dentures is not covered by CHAMPUS.

(v) *Inpatient hospital stay in connection with non-adjunctive, noncovered dental care.* Institutional benefits specified in paragraph (b) of this section may be extended for inpatient hospital stays related to noncovered, nonadjunctive dental care when such inpatient stay is medically necessary to safeguard the life of the patient from the effects of dentistry because of the existence of a specific and serious nondental organic impairment currenty under active treatment. (Hemophilia is an example of a condition that could be considered a serious nondental impairment.) Preauthorization by the Director, OCHAMPUS, or a designee, is required for such inpatient stays to be covered in the same manner as required for adjunctive dental care described in paragraph (e)(10)(iii) of this section. Regardless of whether or not the preauthorization request for the hospital admission is approved and thus qualifies for institutional benefits, the professional service related to the nonadjunctive dental care is not covered.

(11) *Drug abuse.* Under the Basic Program, benefits may be extended for medically necessary prescripion drugs required in the treatment of an illness or injury or in connection with maternity care (refer to paragraph (d) of this section). However, CHAMPUS benefits cannot be authorized to support of

maintain an existing or potential drug abuse situation, whether or not the drugs (under other circumstances) are eligible for benefit consideration and whether or not obtained by legal means.

(i) *Limitations on who can prescribe drugs.* CHAMPUS benefits are not available for any drugs prescribed by a member of the beneficiary's family or by a nonfamily member residing in the same household with the beneficiary or sponsor.

(ii) *Drug maintenance programs excluded.* Drug maintenance programs when one addictive drug is substituted for another on a maintenance basis (such as methadone substituted for heroin) are not covered. This exclusion applies even in areas outside the United States where addictive drugs are dispensed legally by physicians on a maintenance dosage level.

(iii) *Kinds of prescription drugs that are monitored carefully by CHAMPUS for possible abuse situations*—(A) *Narcotics.* Examples are Morphine and Demerol.

(B) *Nonnarcotic analgesics.* Examples are Talwin and Darvon.

(C) *Tranquilizers.* Examples are Valium, Librium, and Meprobamate.

(D) *Barbiturates.* Examples are Seconal and Nembuttal.

(E) *Nonbarbituate hypnotics.* Examples are Doriden and Chloral Hydrate.

(F) *Stimulants.* Examples are amphetamines.

(iv) *CHAMPUS fiscal intermediary responsibilities.* CHAMPUS fiscal intermediaries are responsible for implementing utilization control and quality assurance procedures designed to identify possible drug abuse situations. The CHAMPUS fiscal intermediary is directed to screen all drug claims for potential overutilization and irrational prescribing of drugs, and to subject any such cases to extensive review to establish the necessity for the drugs and their appropriateness on the basis of diagnosis or definitive symptoms.

(A) When a possible drug abuse situation is identified, all claims for drugs for that specific beneficiary or provider will be suspended pending the results of a review.

(B) If the review determines that a drug abuse situation does in fact exist, all drug claims held in suspense will be denied.

(C) If the record indicates previously paid drug benefits, the prior claims for that beneficiary or provider will be reopened and the circumstances involved reviewed to determine whether or not drug abuse also existed at the time the earlier claims were adjudicated. If drug abuse is later ascertained, benefit payments made previously will be considered to have been extended in error and the amounts so paid recouped.

(D) Inpatient stays primarily for the purpose of obtaining drugs and any other services and supplies related to drug abuse also are excluded.

(v) *Unethical or illegal provider practices related to drugs.* Any such investigation into a possible drug abuse that uncovers unethical or illegal drug dispensing practices on the part of an institution, a pharmacy, or physician will be referred to the professional or investigative agency having jurisdiction. CHAMPUS fiscal intermediaries are directed to withhold payment of all CHAMPUS claims for services and supplies rendered by a provider under active investigation for possible unethical or illegal drug dispensing activities.

(vi) *Detoxification.* The above monitoring and control of drug abuse situations shall in no way be construed to deny otherwise covered medical services and supplies related to drug detoxification (including newborn, addicted infants) when medical supervision is required.

(12) *Custodial care.* The statute under which CHAMPUS operates specifically excludes custodial care. Many beneficiaries and sponsors misunderstand what is meant by custodial care, assuming that because custodial care is not covered, it implies the custodial care is not necessary. This is not the case; it only means the care being provided is not a type of care for which CHAMPUS benefits can be extended.

(i) *Kinds of conditions that can result in custodial care.* There is no absolute rule that can be applied. With most conditions, there is a period of active treatment before custodial care, some much more prolonged than others. Examples of potential custodial care

cases may be a spinal cord injury resulting in extensive paralysis, a severe cerebral vascular accident, multiple sclerosis in its latter stages, or presenile and senile dementia. These conditions do not result necessarily in custodial care but are indicative of the types of conditions that sometimes do. It is not the condition itself that is controlling, but whether the care being rendered falls within the definition of custodial care (refer to § 199.2 of this part for the definition of ''custodial care'').

(ii) *Benefits available in connection with a custodial care case.* CHAMPUS benefits are not available for services related to a custodial care case, with the following specific exceptions:

(A) *Prescription drugs and medicines, medical supplies and durable medical equipment.* Benefits are payable for otherwise covered prescription drugs and medicines, medical supplies and durable medical equipment.

(B) *Nursing services, limited.* Recognizing that even though the care being received is determined primarily to be custodial, an occasional specific skilled nursing service may be required. When it is determined such skilled nursing services are needed, benefits may be extended for one hour of nursing care per day.

(C) *Physician services, limited.* Recognizing that even though the care being received is determined primarily to be custodial, occasional physician monitoring may be required to maintain the patient's condition. When it is determined that a patient is receiving custodial care, benefits may be extended for up to twelve physician visits per calendar year for the custodial condition (not to exceed one per month).

NOTE: CHAMPUS benefits may be extended for additional physician visits related to the treatment of a condition other than the condition for which the patient is receiving custodial care (an example is a broken leg as a result of a fall).

(D) *Payment for prescription drugs, medical supplies, durable medical equipment and limited skilled nursing and physician services does not affect custodial care determination.* The fact that CHAMPUS extends benefits for prescription drugs, medical supplies, durable medical equipment, and limited skilled nursing and physician services in no way affects the custodial care determination if the case otherwise falls within the definition of custodial care.

(iii) *Exception to custodial care exclusion, admission to a hospital.* CHAMPUS benefits may be extended for otherwise covered services or supplies directly related to a medically necessary admission to an acute care general or special hospital (as defined in paragraph (b)(4)(i), section 199.6 of this part), if the care is at the appropriate level and meets other requirements of this Regulation.

(iv) *Reasonable care for which benefits were authorized or reimbursed before June 1, 1977.* It is recognized that care for which benefits were authorized or reimbursed before the implementation date of DoD 6010.8–R may be excluded under the custodial care limitations set forth in the Regulation. Therefore, an exception to the custodial care limitations set forth in this part exists whereby reasonable care for which benefits authorized or reimbursed under the Basic Program before June 1, 1977, shall continue to be authorized even though the care would be excluded as a benefit under the custodial care limitations of the DoD 6010.8–R. Continuation of CHAMPUS benefits in such cases is limited as follows:

(A) *Initial authorization or reimbursement before June 1, 1977.* The initial CHAMPUS authorization or reimbursement for the care occurred before June 1, 1977; and,

(B) *Continued care.* The care has been continuous since the initial CHAMPUS authorization or reimbursement; and,

(C) *Reasonable care.* The care is reasonable. CHAMPUS benefits shall be continued for reasonable care up to the same level of benefits and for the same period of eligibility authorized or reimbursed before June 1, 1977. Care that is excessive or otherwise unreasonable will be reduced or eliminated from the continued care authorized under this exception.

(13) *Domiciliary care.* The statute under which CHAMPUS operates also specifically excludes domiciliary care (refer to § 199.2 of this part for the definition of ''Domiciliary Care'').

(i) *Examples of domiciliary care situations.* The following are examples of

domiciliary care for which CHAMPUS benefits are not payable.

(A) *Home care is not available.* Institutionalization primarily because parents work, or extension of a hospital stay beyond what is medically necessary because the patient lives alone, are examples of domiciliary care provided because there is no other family member or other person available in the home.

(B) *Home care is not suitable.* Institutionalization of a child because a parent (or parents) is an alcoholic who is not responsible enough to care for the child, or because someone in the home has a contagious disease, are examples of domiciliary care being provided because the home setting is unsuitable.

(C) *Family unwilling to care for a person in the home.* A child who is difficult to manage may be placed in an institution, not because institutional care is medically necessary, but because the family does not want to handle him or her in the home. Such institutionalization would represent domiciliary care, that is, the family being unwilling to assume responsibility for the child.

(ii) *Benefits available in connection with a domiciliary care case.* Should the beneficiary receive otherwise covered medical services or supplies while also being in a domiciliary care situation, CHAMPUS benefits are payable for those medical services or supplies, or both, in the same manner as though the beneficiary resided in his or her own home. Such benefits would be cost-shared as though rendered to an outpatient.

(iii) *General exclusion.* Domiciliary care is institutionalization essentially to provide a substitute home—not because it is medically necessary for the beneficiary to be in the institution (although there may be conditions present that have contributed to the fact that domiciliary care is being rendered). CHAMPUS benefits are not payable for any costs or charges related to the provision of domiciliary care. While a substitute home or assistance may be necessary for the beneficiary, domiciliary care does not represent the kind of care for which CHAMPUS benefits can be provided.

(14) *CT scanning*—(i) *Approved CT scan services.* Benefits may be extended for medically necessary CT scans of the head or other anatomical regions of the body when all of the following conditions are met:

(A) The patient is referred for the diagnostic procedure by a physician.

(B) The CT scan procedure is consistent with the preliminary diagnosis or symptoms.

(C) Other noninvasive and less costly means of diagnosis have been attempted or are not appropriate.

(D) The CT scan equipment is licensed or registered by the appropriate state agency responsible for licensing or registering medical equipment that emits ionizing radiation.

(E) The CT scan equipment is operated under the general supervision and direction of a physician.

(F) The results of the CT scan diagnostic procedure are interpreted by a physician.

(ii) *Review guidelines and criteria.* The Director, OCHAMPUS, or a designee, will issue specific guidelines and criteria for CHAMPUS coverage of medically necessary head and body part CT scans.

(15) *Morbid obesity.* The CHAMPUS morbid obesity benefit is limited to the gastric bypass, gastric stapling, or gastroplasty method.

(i) *Conditions for coverage.* Payment may be extended for the gastric bypass, gastric stapling, or gastroplasty method only when one of the following conditions is met:

(A) The patient is 100 pounds over the ideal weight for height and bone structure and has an associated severe medical condition. These associated medical conditions are diabetes mellitus, hypertension, cholecystitis, narcolepsy, pickwickian syndrome (and other severe respiratory disease), hypothalmic disorders, and severe arthritis of the weight-bearing joints.

(B) The patient is 200 percent or more of the ideal weight for height and bone structure. An associated medical condition is not required for this category.

(C) The patient has had an intestinal bypass or other surgery for obesity and, because of complications, requires a second surgery (a takedown). The surgeon in many cases, will do a gastric bypass, gastric stapling, or gastroplasty to help the patient avoid

regaining the weight that was lost. In this situation, payment is authorized even though the patient's condition technically may not meet the definition of morbid obesity because of the weight that was already lost following the initial surgery.

(ii) *Exclusions.* (A) CHAMPUS payment may not be made for nonsurgical treatment of obesity or morbid obesity, for dietary control, or weight reduction.

(B) CHAMPUS payment may not be made for surgical procedures other than the gastric bypass, gastric stapling, or gastroplasty, even if morbid obesity is present.

(16) *Maternity care.* (i) *Benefit.* The CHAMPUS Basic Program may share the cost of medically necessary services and supplies associated with maternity care which are not otherwise excluded by this part. However, failure by a beneficiary to secure a required Nonavailability Statement (NAS) (DD Form 1251) as set forth in paragraph (a)(9) of this section will waive that beneficiary's right to CHAMPUS cost-share of certain maternity care services and supplies.

(ii) *Cost-share.* Subject to applicable Nonavailability Statement (NAS) requirements, maternity care cost-share shall be determined as follows:

(A) Inpatient cost-share formula applies to maternity care ending in childbirth in, or on the way to, a hospital inpatient childbirth unit, and for maternity care ending in a non-birth outcome not otherwise excluded by this part.

(B) Ambulatory surgery cost-share formula applies to maternity care ending in childbirth in, or on the way to, a birthing center to which the beneficiary is admitted and from which the beneficiary has received prenatal care, or a hospital-based outpatient birthing room.

(C) Outpatient cost-share formula applies to maternity care which terminates in a planned childbirth at home.

(D) Otherwise covered medical services and supplies directly related to ''Complications of pregnancy,'' as defined in § 199.2 of this part, will be cost-shared on the same basis as the related maternity care for a period not to exceed 42 days following termination of the pregnancy and thereafter cost-shared on the basis of the inpatient or outpatient status of the beneficiary when medically necessary services and supplies are received.

(17) *Biofeedback Therapy.* Biofeedback therapy is a technique by which a person is taught to exercise control over a physiologic process occurring within the body. By using modern biomedical instruments the patient learns how a specific physiologic system within his body operates and how to modify the performance of this particular system.

(i) *Benefits Provided.* CHAMPUS benefits are payable for services and supplies in connection with electrothermal, electromyograph and electrodermal biofeedback therapy when there is documentation that the patient has undergone an appropriate medical evaluation, that their present condition is not responding to or no longer responds to other forms of conventional treatment, and only when provided as treatment for the following conditions:

(A) Adjunctive treatment for Raynaud's Syndrome.

(B) Adjunctive treatment for muscle re-education of specific muscle groups or for treating pathological muscle abnormalities of spasticity, or incapacitating muscle spasm or weakness.

(ii) *Limitations.* Payable benefits include initial intake evaluation. Treatment following the initial intake evaluation is limited to a maximum of 20 inpatient and outpatient biofeedback treatments per calendar year.

(iii) *Exclusions.* Benefits are excluded for biofeedback therapy for the treatment of ordinary muscle tension states or for psychosomatic conditions. Benefits are also excluded for the rental or purchase of biofeedback equipment.

(iv) *Provider Requirements.* A provider of biofeedback therapy must be a CHAMPUS-authorized provider. (Refer to § 199.6, ''Authorized Providers). If biofeedback treatment is provided by other than a physician, the patient must be referred by a physician.

(v) *Implementation Guidelines.* The Director of OCHAMPUS shall issue guidelines as are necessary to implement the provision of this paragraph.

(18) *Cardiac rehabilitation.* Cardiac rehabilitation is the process by which individuals are restored to their optimal physical, medical, and psychological status, after a cardiac event. Cardiac rehabilitation is often divided into three phases. Phase I begins during inpatient hospitalization and is managed by the patient's personal physician. Phase II is a medically supervised outpatient program which begins following discharge. Phase III is a lifetime maintenance program emphasizing continuation of physical fitness with periodic followup. Each phase includes an exercise component, patient education, and risk factor modification. There may be considerable variation in program components, intensity, and duration.

(i) *Benefits Provided.* CHAMPUS benefits are available on an inpatient or outpatient basis for services and supplies provided in connection with a cardiac rehabilitation program when ordered by a physician and provided as treatment for patients who have experienced the following cardiac events within the preceding twelve (12) months:

(A) Myocardial Infarction.

(B) Coronary Artery Bypass Graft.

(C) Coronary Angioplasty.

(D) Percutaneous Transluminal Coronary Angioplasty

(E) Chronic Stable Angina (see limitations below).

(ii) *Limitations.* Payable benefits include separate allowance for the initial evaluation and testing. Outpatient treatment following the initial intake evaluation and testing is limited to a maximum of thirty-six (36) sessions per cardiac event, usually provided 3 sessions per week for twelve (12) weeks. Patients diagnosed with chronic stable angina are limited to one treatment episode (36 sessions) in a calendar year.

(iii) *Exclusions.* Phase III cardiac rehabilitation lifetime maintenance programs performed at home or in medically unsupervised settings are not covered.

(iv) *Providers.* A provider of cardiac rehabilitation services must be a CHAMPUS authorized hospital. (Refer to Section 199.6, ''Authorized Providers.'') All cardiac rehabilitation services must be ordered by a physician.

(v) *Payment.* Payment for outpatient treatment will be based on an all inclusive allowable charge per session. Inpatient treatment will be paid based upon the reimbursement system in place for the hospital where the services are rendered.

(vi) *Implementation Guidelines.* The Director of OCHAMPUS shall issue guidelines as are necessary to implement the provisions of this paragraph.

(19) *Hospice care.* Hospice care is a program which provides an integrated set of services and supplies designed to care for the terminally ill. This type of care emphasizes palliative care and supportive services, such as pain control and home care, rather than cure-oriented services provided in institutions that are otherwise the primary focus under CHAMPUS. The benefit provides coverage for a humane and sensible approach to care during the last days of life for some terminally ill patients.

(i) *Benefit coverage.* CHAMPUS beneficiaries who are terminally ill (that is, a life expectancy of six months or less if the disease runs its normal course) will be eligible for the following services and supplies in lieu of most other CHAMPUS benefits:

(A) Physician services.

(B) Nursing care provided by or under the supervision of a registered professional nurse.

(C) Medical social services provided by a social worker who has at least a bachelor's degree from a school accredited or approved by the Council on Social Work Education, and who is working under the direction of a physician. Medical social services include, but are not limited to the following:

(*1*) Assessment of social and emotional factors related to the beneficiary's illness, need for care, response to treatment, and adjustment to care.

(*2*) Assessment of the relationship of the beneficiary's medical and nursing requirements to the individual's home situation, financial resources, and availability of community resources.

(*3*) Appropriate action to obtain available community resources to assist in resolving the beneficiary's problem.

(*4*) Counseling services that are required by the beneficiary.

(D) Counseling services provided to the terminally ill individual and the family member or other persons caring for the individual at home. Counseling, including dietary counseling, may be provided both for the purpose of training the individual's family or other care-giver to provide care, and for the purpose of helping the individual and those caring for him or her to adjust to the individual's approaching death. Bereavement counseling, which consists of counseling services provided to the individual's family after the individual's death, is a required hospice service but it is not reimbursable.

(E) Home health aide services furnished by qualified aides and homemaker services. Home health aides may provide personal care services. Aides also may perform household services to maintain a safe and sanitary environment in areas of the home used by the patient. Examples of such services are changing the bed or light cleaning and laundering essential to the comfort and cleanliness of the patient. Aide services must be provided under the general supervision of a registered nurse. Homemaker services may include assistance in personal care, maintenance of a safe and healthy environment, and services to enable the individual to carry out the plan of care. Qualifications for home health aides can be found in 42 CFR 484.36.

(F) Medical appliances and supplies, including drugs and biologicals. Only drugs that are used primarily for the relief of pain and symptom control related to the individual's terminal illness are covered. Appliances may include covered durable medical equipment, as well as other self-help and personal comfort items related to the palliation or management of the patient's condition while he or she is under hospice care. Equipment is provided by the hospice for use in the beneficiary's home while he or she is under hospice care. Medical supplies include those that are part of the written plan of care. Medical appliances and supplies are included within the hospice all-inclusive rates.

(G) Physical therapy, occupational therapy and speech-language pathology services provided for purposes of symptom control or to enable the individual to maintain activities of daily living and basic functional skills.

(H) Short-term inpatient care provided in a Medicare participating hospice inpatient unit, or a Medicare participating hospital, skilled nursing facility (SNF) or, in the case of respite care, a Medicaid-certified nursing facility that additionally meets the special hospice standards regarding staffing and patient areas. Services provided in an inpatient setting must conform to the written plan of care. Inpatient care may be required for procedures necessary for pain control or acute or chronic symptom management. Inpatient care may also be furnished to provide respite for the individual's family or other persons caring for the individual at home. Respite care is the only type of inpatient care that may be provided in a Medicaid-certified nursing facility. The limitations on custodial care and personal comfort items applicable to other CHAMPUS services are not applicable to hospice care.

(ii) *Core services.* The hospice must ensure that substantially all core services are routinely provided directly by hospice employees; i.e., physician services, nursing care, medical social services, and counseling for individuals and care givers. Refer to paragraphs (e)(19)(i)(A), (e)(19)(i)(B), (e)(19)(i)(C), and (e)(19)(i)(D) of this section.

(iii) *Non-core services.* While non-core services (i.e., home health aide services, medical appliances and supplies, drugs and biologicals, physical therapy, occupational therapy, speech-language pathology and short-term inpatient care) may be provided under arrangements with other agencies or organizations, the hospice must maintain professional management of the patient at all times and in all settings. Refer to paragraphs (e)(19)(i)(E), (e)(19)(i)(F), (e)(19)(i)(G), and (e)(19)(i)(H) of this section.

(iv) *Availability of services.* The hospice must make nursing services, physician services, and drugs and biologicals routinely available on a 24-hour basis. All other covered services must be made available on a 24-hour basis to the extent necessary to meet the needs of individuals for care that is reasonable and necessary for the

palliation and management of the terminal illness and related condition. These services must be provided in a manner consistent with accepted standards of practice.

(v) *Periods of care.* Hospice care is divided into distinct periods/episodes of care. The terminally ill beneficiary may elect to receive hospice benefits for an initial period of 90 days, a subsequent period of 90 days, a second subsequent period of 30 days, and a final period of unlimited duration.

(vi) *Conditions for coverage.* The CHAMPUS beneficiary must meet the following conditions/criteria in order to be eligible for the hospice benefits and services referenced in paragraph (e)(19)(i) of this section.

(A) There must be written certification in the medical record that the CHAMPUS beneficiary is terminally ill with a life expectancy of six months or less if the terminal illness runs its normal course.

(*1*) *Timing of certification.* The hospice must obtain written certification of terminal illness for each of the election periods described in paragraph (e)(19(vi)(B) of this section, even if a single election continues in effect for two, three or four periods.

(*i*) *Basic requirement.* Except as provided in paragraph (e)(19(vi)(A)(*1*)(*ii*) of this section the hospice must obtain the written certification no later than two calendar days after the period begins.

(*ii*) *Exception.* For the initial 90-day period, if the hospice cannot obtain the written certifications within two calendar days, it must obtain oral certifications within two calendar days, and written certifications no later than eight calendar days after the period begins.

(*2*) *Sources of certification.* Physician certification is required for both initial and subsequent election periods.

(*i*) For the initial 90-day period, the hospice must obtain written certification statements (and oral certification statements if required under paragraph (e)(19(vi)(A)(*i*)(*ii*) of this section) from:

(*A*) The individual's attending physician if the individual has an attending physician; and

(*B*) The medical director of the hospice or the physician member of the hospice interdisciplinary group.

(*ii*) For subsequent periods, the only requirement is certification by one of the physicians listed in paragraph (e)(19)(vi)(A)(*2*)(*i*)(*B*) of this section.

(B) The terminally ill beneficiary must elect to receive hospice care for each specified period of time; i.e., the two 90-day periods, a subsequent 30-day period, and a final period of unlimited duration. If the individual is found to be mentally incompetent, his or her representative may file the election statement. Representative means an individual who has been authorized under State law to terminate medical care or to elect or revoke the election of hospice care on behalf of a terminally ill individual who is found to be mentally incompetent.

(*1*) The episodes of care must be used consecutively; i.e., the two 90-day periods first, then the 30-day period, followed by the final period. The periods of care may be elected separately at different times.

(*2*) The initial election will continue through subsequent election periods without a break in care as long as the individual remains in the care of the hospice and does not revoke the election.

(*3*) The effective date of the election may begin on the first day of hospice care or any subsequent day of care, but the effective date cannot be made prior to the date that the election was made.

(*4*) The beneficiary or representative may revoke a hospice election at any time, but in doing so, the remaining days of that particular election period are forfeited and standard CHAMPUS coverage resumes. To revoke the hospice benefit, the beneficiary or representative must file a signed statement of revocation with the hospice. The statement must provide the date that the revocation is to be effective. An individual or representative may not designate an effective date earlier than the date that the revocation is made.

(*5*) If an election of hospice benefits has been revoked, the individual, or his or her representative may at any time file a hospice election for any period of

time still available to the individual, in accordance with § 199.4(e)(19)(vi)(B).

(*6*) A CHAMPUS beneficiary may change, once in each election period, the designation of the particular hospice from which he or she elects to receive hospice care. To change the designation of hospice programs the individual or representative must file, with the hospice from which care has been received and with the newly designated hospice, a statement that includes the following information:

(*i*) The name of the hospice from which the individual has received care and the name of the hospice from which he or she plans to receive care.

(*ii*) The date the change is to be effective.

(*7*) Each hospice will design and print its own election statement to include the following information:

(*i*) Identification of the particular hospice that will provide care to the individual.

(*ii*) The individual's or representative's acknowledgment that he or she has been given a full understanding of the palliative rather than curative nature of hospice care, as it relates to the individual's terminal illness.

(*iii*) The individual's or representative's acknowledgment that he or she understands that certain other CHAMPUS services are waived by the election.

(*iv*) The effective date of the election.

(*v*) The signature of the individual or representative, and the date signed.

(*8*) The hospice must notify the CHAMPUS contractor of the initiation, change or revocation of any election.

(C) The beneficiary must waive all rights to other CHAMPUS payments for the duration of the election period for:

(*1*) Care provided by any hospice program other than the elected hospice unless provided under arrangements made by the elected hospice; and

(*2*) Other CHAMPUS basic program services/benefits related to the treatment of the terminal illness for which hospice care was elected, or to a related condition, or that are equivalent to hospice care, except for services provided by:

(*i*) The designated hospice;

(*ii*) Another hospice under arrangement made by the designated hospice; or

(*iii*) An attending physician who is not employed by or under contract with the hospice program.

(*3*) Basic CHAMPUS coverage will be reinstated upon revocation of the hospice election.

(D) A written plan of care must be established by a member of the basic interdisciplinary group assessing the patient's needs. This group must have at least one physician, one registered professional nurse, one social worker, and one pastoral or other counselor.

(*1*) In establishing the initial plan of care the member of the basic interdisciplinary group who assesses the patient's needs must meet or call at least one other group member before writing the initial plan of care.

(*2*) At least one of the persons involved in developing the initial plan must be a nurse or physician.

(*3*) The plan must be established on the same day as the assessment if the day of assessment is to be a covered day of hospice care.

(*4*) The other two members of the basic interdisciplinary group—the attending physician and the medical director or physician designee—must review the initial plan of care and provide their input to the process of establishing the plan of care within two calendar days following the day of assessment. A meeting of group members is not required within this 2-day period. Input may be provided by telephone.

(*5*) Hospice services must be consistent with the plan of care for coverage to be extended.

(*6*) The plan must be reviewed and updated, at intervals specified in the plan, by the attending physician, medical director or physician designee and interdisciplinary group. These reviews must be documented in the medical records.

(*7*) The hospice must designate a registered nurse to coordinate the implementation of the plan of care for each patient.

(*8*) The plan must include an assessment of the individual's needs and identification of the services, including the management of discomfort and symptom relief. It must state in detail

the scope and frequency of services needed to meet the patient's and family's needs.

(E) Complete medical records and all supporting documentation must be submitted to the CHAMPUS contractor within 30 days of the date of its request. If records are not received within the designated time frame, authorization of the hospice benefit will be denied and any prior payments made will be recouped. A denial issued for this reason is not an initial determination under § 199.10, and is not appealable.

(vii) *Appeal rights under hospice benefit.* A beneficiary or provider is entitled to appeal rights for cases involving a denial of benefits in accordance with the provisions of this part and § 199.10.

(f) *Beneficiary or sponsor liability*—(1) *General.* As stated in the introductory paragraph to this section, the Basic Program is essentially a supplemental program to the Uniformed Services direct medical care system. To encourage use of the Uniformed Services direct medical care system wherever its facilities are available and appropriate, the Basic Program benefits are designed so that it is to the financial advantage of a CHAMPUS beneficiary or sponsor to use the direct medical care system. When medical care is received from civilian sources, a CHAMPUS beneficiary is responsible for payment of certain deductible and cost-sharing amounts in connection with otherwise covered services and supplies. By statute, this joint financial responsibility between the beneficiary or sponsor and CHAMPUS is more favorable for dependents of active duty members than for other classes of beneficiaries.

(2) *Dependents of active duty members of the Uniformed Services.* CHAMPUS beneficiary or sponsor liability set forth for dependents of active duty members is as follows:

(i) *Annual fiscal year deductible for outpatient services and supplies.*

(A) For care rendered all eligible beneficiaries prior to April 1, 1991, or when the active duty sponsor's pay grade is E–4 or below, regardless of the date of care:

(*1*) *Individual Deductible:* Each beneficiary is liable for the first fifty dollars ($50.00) of the CHAMPUS-determined allowable amount on claims for care provided in the same fiscal year.

(*2*) *Family Deductible:* The total deductible amount for all members of a family with the same sponsor during one fiscal year shall not exceed one hundred dollars ($100.00).

(B) For care rendered on or after April 1, 1991, for all CHAMPUS beneficiaries except dependents of active duty sponsors in pay grades E–4 or below.

(*1*) *Individual Deductible:* Each beneficiary is liable for the first one hundred and fifty dollars ($150.00) of the CHAMPUS-determined allowable amount on claims for care provided in the same fiscal year.

(*2*) *Family Deductible:* The total deductible amount for all members of a family with the same sponsor during one fiscal year shall not exceed three hundred dollars ($300.00).

(C) CHAMPUS-*approved Ambulatory Surgical Centers or Birthing Centers.* No deductible shall be applied to allowable amounts for services or items rendered to active duty for authorized NATO dependents.

(D) *Allowable Amount does not exceed Deductible Amount.* If fiscal year allowable amounts for two or more beneficiary members of a family total less than $100.00 ($300.00 if paragraph (f)(2)(i)(B)(*2*) of this section applies), but more of the beneficiary members submit a claim for over $50.00 ($150.00 if paragraph (f)(2)(i)(B)(*1*) of this section applies), neither the family nor the individual deductible will have been met and no CHAMPUS benefits are payable.

(E) For any family the outpatient deductible amounts will be applied sequentially as the CHAMPUS claims are processed.

(F) If the fiscal year outpatient deductible under either paragraphs (f)(2)(i)(A) or (f)(2)(i)(B) of this section has been met by a beneficiary or a family through the submission of a claim or claims to a CHAMPUS fiscal intermediary in another geographic location from the location where a current claim is being submitted, the beneficiary or sponsor must obtain a deductible certificate from the CHAMPUS fiscal intermediary where

the applicable beneficiary or famiy fiscal year deductible was met. Such deductible certificate must be attached to the current claim being submitted for benefits. Failure to obtain a deductible certificate under such circumstances will result in a second beneficiary or family fiscal year deductible being applied. However, this second deductible may be reimbursed once appropriate documentation, as described in paragraph (f)(2)(i)(F) of this section, is supplied to the CHAMPUS fiscal intermediary applying the second deductible.

(G) Notwithstanding the dates specified in paragraphs (f)(2)(i)(A) and (f)(B)(2)(i) of this section in the case of dependents of active duty members of rank E–5 or above with Persian Gulf Conflict service, dependents of service members who were killed in the Gulf, or who died subsequent to Gulf service, and of members who retired prior to October 1, 1991, after having served in the Gulf War, the deductible shall be the amount specified in paragraph (f)(2)(i)(A) of this section for care rendered prior to October 1, 1991, and the amount specified in paragraph (f)(2)(i)(B) of this section for care rendered on or after October 1, 1991.

(ii) *Inpatient cost-sharing.* Except in the case of mental health services (see paragraph (f)(2)(ii)(D) of this section), dependents of active duty members of the Uniformed Services or their sponsors are responsible for the payment of the first $25 of the allowable institutional costs incurred with each covered inpatient admission to a hospital or other authorized institutional provider (refer to § 199.6), or the amount the beneficiary or sponsor would have been charged had the inpatient care been provided in a Uniformed Service hospital, whichever is greater.

NOTE: The Secretary of Defense (after consulting with the Secretary of Health and Human Services and the Secretary of Transportation) prescribes the fair charges for inpatient hospital care provided through Uniformed Services medical facilities. This determination is made each fiscal year.

(A) *Inpatient cost-sharing payable with each separate inpatient admission.* A separate cost-sharing amount (as described in paragraph (f)(2) of this section) is payable for each inpatient admission to a hospital or other authorized institution, regardless of the purpose of the admission (such as medical or surgical), regardless of the number of times the beneficiary is admitted, and regardless of whether or not the inpatient admissions are for the same or related conditions; except that successive inpatient admissions shall be deemed one inpatient confinement for the purpose of computing the inpatient cost-share payable, provided not more than 60 days have elapsed between the successive admissions. However, notwithstanding this provision, all admissions related to a single maternity episode shall be considered one confinement, regardless of the number of days between admissions (refer to paragraph (b) of this section).

(B) *Multiple family inpatient admissions.* A separate cost-sharing amount is payable for each inpatient admission, regardless of whether or not two or more beneficiary members of a family are admitted at the same time or from the same cause (such as an accident). A separate beneficiary inpatient cost-sharing amount must be applied for each separate admission on each beneficiary member of the family.

(C) *Newborn patient in his or her own right.* When a newborn infant remains as an inpatient in his or her own right (usually after the mother is discharged), the newborn child becomes the beneficiary and patient and the extended inpatient stay becomes a separate inpatient admission. In such a situation, a new, separate inpatient cost-sharing amount is applied. If a multiple birth is involved (such as twins or triplets) and two or more newborn infants become patients in their own right, a separate inpatient cost-sharing amount must be applied to the inpatient stay for each newborn child who has remained as an inpatient in his or her own right.

(D) *Inpatient cost-sharing for mental health services.* For care provided on or after October 1, 1995, the inpatient cost-sharing for mental health services is $20 per day for each day of the inpatient admission. This $20 per day cost sharing amount applies to admissions to any hospital for mental health services, any residential treatment facility, any substance abuse rehabilitation

facility, and any partial hospitalization program providing mental health or substance use disorder rehabilitation services.

(iii) *Outpatient cost-sharing.* Dependents of active duty members of the Uniformed Services or their sponsors are responsible for payment of 20 percent of the CHAMPUS-determined allowable cost or charge beyond the annual fiscal year deductible amount (as described in paragraph (f)(2)(i) of this section) for otherwise covered services or supplies provided on an outpatient basis by authorized providers.

(iv) *Ambulatory surgery.* Notwithstanding the above provisions pertaining to outpatient cost-sharing, dependents of active duty members of the Uniformed Services or their sponsors are responsible for payment of $25 for surgical care that is authorized and received while in an outpatient status and that has been designated in guidelines issued by the Director, OCHAMPUS, or a designee.

(v) *Psychiatric partial hospitalization services.* Institutional and professional services provided under the psychiatric partial hospitalization program authorized by paragraph (b)(10) of this section shall be cost shared as inpatient services.

(3) *Retirees, dependents of retirees, dependents of deceased active duty members, and dependents of deceased retirees.* CHAMPUS beneficiary liability set forth for retirees, dependents of retirees, dependents of deceased active duty members, and dependents of deceased retirees is as follows:

(i) *Annual fiscal year deductible for outpatient services or supplies.* The annual fiscal year deductible for otherwise covered outpatient services or supplies provided retirees, dependents of retirees, dependents of deceased active duty members, and dependents of deceased retirees is the same as the annual fiscal year outpatient deductible applicable to dependents of active duty members of rank E–5 or above as specified in paragraph (f)(2)(i)(A) or (B) of this section.

(ii) *Inpatient cost-sharing.* Cost-sharing amounts for inpatient services shall be as follows:

(A) *Services subject to the CHAMPUS DRG-based payment system.* The cost-share shall be the lesser of: an amount calculated by multiplying a per diem amount by the total number of days in the hospital stay except the day of discharge; or 25 percent of the hospital's billed charges. The per diem amount shall be calculated so that, in the aggregate, the total cost-sharing amounts for these beneficiaries is equivalent to 25 percent of the CHAMPUS-determined allowable costs for covered services or supplies provided on an inpatient basis by authorized providers. The per diem amount shall be published annually by OCHAMPUS.

(B) *Services subject to the CHAMPUS mental health per diem payment system.* The cost-share is dependent upon whether the hospital is paid a hospital-specific per diem or a regional per diem under the provisions of § 199.14(a)(2). With respect to care paid for on the basis of a hospital specific per diem, the cost-share shall be 25% of the hospital-specific per diem amount. For care paid for on the basis of a regional per diem, the cost share shall be the lower of a fixed daily amount or 25% of the hospital's billed charges. The fixed daily amount shall be 25 percent of the per diem adjusted so that total beneficiary cost shares will equal 25 percent of total payments under the mental health per diem payment system. These fixed daily amount shall be updated annually and published in the FEDERAL REGISTER along with the per diems published pursuant to § 199.14(a)(2)(iv)(B).

(C) *Other services.* For services exempt from the CHAMPUS DRG-based payment system and the CHAMPUS mental health per diem payment system and services provided by institutions other than hospitals, the cost-share shall be 25% of the CHAMPUS-determined allowable charges.

(iii) *Outpatient cost-sharing.* (A) *For services other than ambulatory surgery services.* Retirees, dependents of retirees, dependents of deceased active duty members, and dependents of deceased retirees are responsible for payment of 25 percent of the CHAMPUS-determined allowable costs or charges beyond the annual fiscal year deductible amount (as described in paragraph (f)(2)(i) of this section for otherwise

covered services or supplies provided on an outpatient basis by authorized providers.

(B) *For services subject to the ambulatory surgery payment method.* For services subject to the ambulatory surgery payment method set forth in § 199.14(d), the cost share shall be the lesser of: 25 percent of the payment amount provided pursuant to § 199.14(d); or 25 percent of the center's billed charges.

(iv) *Psychiatric partial hospitalization services.* Institutional and professional services provided under the psychiatric partial hospitalization program authorized by paragraph (b)(10) of this section shall be cost shared as inpatient services.

(4) *Former spouses.* CHAMPUS beneficiary liability set forth for former spouses eligible under the provisions of paragraph (b)(2)(ii) of § 199.3 is as follows:

(i) *Annual fiscal year deductible for outpatient services or supplies.* An eligible former spouse is responsible for the payment of the first $150.00 of the CHAMPUS-determined reasonable costs or charges for otherwise covered outpatient services or supplies provided in any one fiscal year. (Except for services received prior to April 1, 1991, the deductible amount is $50.00). The former spouse cannot contribute to, nor benefit from, any family deductible of the member or former member to whom the former spouse was married or of any CHAMPUS-eligible children.

(ii) *Inpatient cost-sharing.* Eligible former spouses are responsible for the payment of cost-sharing amounts the same as those required for retirees, dependents of retirees, dependents of deceased active duty members, and dependents of deceased retirees.

(iii) *Outpatient cost-sharing.* Eligible former spouses are responsible for payment of 25 percent of the CHAMPUS-determined reasonable costs or charges beyond the annual fiscal year deductible amount for otherwise covered services or supplies provided on an outpatient basis by authorized providers.

(5) *Cost-Sharing under the Military-Civilian Health Services Partnership Program.* Cost-sharing is dependent upon the type of partnership program entered into, whether external or internal. (See paragraph (p) of § 199.1, for general requirements of the Military-Civilian Health Services Partnership Program.)

(i) *External Partnership Agreement.* Authorized costs associated with the use of the civilian facility will be financed through CHAMPUS under the normal cost-sharing and reimbursement procedures applicable under CHAMPUS.

(ii) *Internal Partnership Agreement.* Beneficiary cost-sharing under internal agreements will be the same as charges prescribed for care in military treatment facilities.

(6)–(7) [Reserved]

(8) *Cost-sharing for services provided under special discount arrangements*—(i) *General rule.* With respect to services determined by the Director, OCHAMPUS (or designee) to be covered by § 199.14(i), the Director, OCHAMPUS (or designee) has authority to establish, as an exception to the cost-sharing amount normally required pursuant to this section, a different cost-share amount that appropriately reflects the application of the statutory cost-share to the discount arrangement.

(ii) *Specific applications.* The following are examples of applications of the general rule; they are not all inclusive.

(A) In the case of services provided by individual health care professionals and other noninstitutional providers, the cost-share shall be the usual percentage of the CHAMPUS allowable charge determined under § 199.14(i).

(B) In the case of services provided by institutional providers normally paid on the basis of a pre-set amount (such as DRG-based amount under § 199.14(a)(1) or per-diem amount under § 199.14(a)(2)), if the discount rate is lower than the pre-set rate, the cost-share amount that would apply for a beneficiary other than an active duty dependent pursuant to the normal pre-set rate would be reduced by the same percentage by which the pre-set rate was reduced in setting the discount rate.

(9) *Waiver of deductible amounts or cost-sharing not allowed*—(i) *General rule.* Because deductible amounts and cost sharing are statutorily mandated, except when specifically authorized by

law (as determined by the Director, OCHAMPUS), a provider may not waive or forgive beneficiary liability for annual deductible amounts or inpatient or outpatient cost sharing, as set forth in this section.

(ii) *Exception for bad debts.* This general rule is not violated in cases in which a provider has made all reasonable attempts to effect collection, without success, and determines in accordance with generally accepted fiscal management standards that the beneficiary liability in a particular case is an uncollectible bad debt.

(iii) *Remedies for noncompliance.* Potential remedies for noncompliance with this requirement include:

(A) A claim for services regarding which the provider has waived the beneficiary's liability may be disallowed in full, or, alternatively, the amount payable for such a claim may be reduced by the amount of the beneficiary liability waived.

(B) Repeated noncompliance with this requirement is a basis for exclusion of a provider.

(10) *Catastrophic loss protection for basic program benefits.* Fiscal year limits, or catastrophic caps, on the amounts beneficiaries are required to pay are established as follows:

(i) *Dependents of active duty members.* The maximum family liability is $1,000 for deductibles and cost-shares based on allowable charges for Basic Program services and supplies received in a fiscal year.

(ii) *All other beneficiaries.* For all other categories of beneficiary families (including those eligible under CHAMPVA) the fiscal year cap is $10,000.

(iii) *Payment after cap is met.* After a family has paid the maximum cost-share and deductible amounts (dependents of active duty members $1,000 and all others $10,000), for a fiscal year, CHAMPUS will pay allowable amounts for remaining covered services through the end of that fiscal year.

NOTE TO PARAGRAPH (f)(10): Under the Defense Authorization Act for Fiscal Year 1993, the cap for beneficiaries other than dependents of active duty members was reduced from $10,000 to $7,500 on October 1, 1992. The cap remains at $1,000 for dependents of active duty members.

(g) *Exclusions and limitations.* In addition to any definitions, requirements, conditions, or limitations enumerated and described in other sections of this part, the following specifically are excluded from the Basic Program:

(1) *Not medically or psychologically necessary.* Services and supplies that are not medically or psychologically necessary for the diagnosis or treatment of a covered illness (including mental disorder) or injury, for the diagnosis and treatment of pregnancy or well-baby care except as provided in the following paragraph.

(2) *Unnecessary diagnostic tests.* X-ray, laboratory, and pathological services and machine diagnostic tests not related to a specific illness or injury or a definitive set of symptoms except for cancer screening mammography and cancer screening papanicolaou (PAP) tests provided under the terms and conditions contained in the guidelines adopted by the Director, OCHAMPUS.

(3) *Institutional level of care.* Services and supplies related to inpatient stays in hospitals or other authorized institutions above the appropriate level required to provide necessary medical care.

(4) *Diagnostic admission.* Services and supplies related to an inpatient admission primarily to perform diagnostic tests, examinations, and procedures that could have been and are performed routinely on an outpatient basis.

NOTE: If it is determined that the diagnostic x-ray, laboratory, and pathological services and machine tests performed during such admission were medically necessary and would have been covered if performed on an outpatient basis, CHAMPUS benefits may be extended for such diagnostic procedures only, but cost-sharing will be computed as if performed on an outpatient basis.

(5) *Unnecessary postpartum inpatient stay, mother or newborn.* Postpartum inpatient stay of a mother for purposes of staying with the newborn infant (usually primarily for the purpose of breast feeding the infant) when the infant (but not the mother) requires the extended stay; or continued inpatient stay of a newborn infant primarily for purposes of remaining with the mother when the mother (but not the newborn infant) requires extended postpartum inpatient stay.

(6) *Therapeutic absences.* Therapeutic absences from an inpatient facility, except when such absences are specifically included in a treatment plan approved by the Director, OCHAMPUS, or a designee. For cost-sharing provisions refer to § 199.14, paragraph (f)(3).

(7) *Custodial care.* Custodial care except as otherwise specifically provided in paragraphs (e)(12) (ii), (iii), and (iv) of this section.

(8) *Domiciliary care.* Inpatient stays primarily for domiciliary care purposes.

(9) *Rest or rest cures.* Inpatient stays primarily for rest or rest cures.

(10) *Amounts above allowable costs or charges.* Costs of services and supplies to the extent amounts billed are over the CHAMPUS determined allowable cost or charge, as provided for in § 199.14.

(11) *No legal obligation to pay, no charge would be made.* Services or supplies for which the beneficiary or sponsor has no legal obligation to pay; or for which no charge would be made if the beneficiary or sponsor was not eligible under CHAMPUS; or whenever CHAMPUS is a secondary payer for claims subject to the CHAMPUS DRG-based payment system, amounts, when combined with the primary payment, which would be in excess of charges (or the amount the provider is obligated to accept as payment in full, if it is less than the charges).

(12) *Furnished without charge.* Services or supplies furnished without charge.

(13) *Furnished by local, state, or Federal Government.* Services and supplies paid for, or eligible for payment, directly or indirectly by a local, state, or Federal Government, except as provided under CHAMPUS, or by government hospitals serving the general public, or medical care provided by a Uniformed Service medical care facility, or benefits provided under title XIX of the Social Security Act (Medicaid) (refer to § 199.8 of this part).

(14) *Study, grant, or research programs.* Services and supplies provided as a part of or under a scientific or medical study, grant, or research program.

(15) *Unproven drugs, devices, and medical treatments or procedures.* By law, CHAMPUS can only cost-share medically necessary supplies and services. Any drug, device or medical treatment or procedure, the safety and efficacy of which have not been established, as described in this paragraph (g)(15), is unproven and cannot be cost-shared by CHAMPUS.

(i) A drug, device, or medical treatment or procedure is unproven:

(A) If the drug or device cannot be lawfully marketed without the approval or clearance of the United States Food and Drug Administration (FDA) and approval or clearance for marketing has not been given at the time the drug or device is furnished to the patient.

NOTE: Although the use of drugs and medicines not approved by the FDA for commercial marketing, that is for use by humans, (even though permitted for testing on humans) is excluded from coverage as unproven, drugs grandfathered by the Federal Food, Drug and Cosmetic Act of 1938 may be covered by CHAMPUS as if FDA approved.

Certain cancer drugs, designated as Group C drugs (approved and distributed by the National Cancer Institute) and Treatment Investigational New Drugs (INDs), are not covered under CHAMPUS because they are not approved for commercial marketing by the FDA. However, medical care related to the use of Group C drugs and Treatment INDs can be cost-shared under CHAMPUS when the patient's medical condition warrants their administration and the care is provided in accordance with generally accepted standards of medical practice.

CHAMPUS can also consider coverage of *unlabeled* or *off-label* uses of drugs that are Food and Drug Administration (FDA) approved drugs that are used for indications or treatments not included in the approved labeling. Approval for reimbursement of *unlabeled* or *off-label* uses requires review for medical necessity, and also requires demonstrations from medical literature, national organizations, or technology assessment bodies that the *unlabeled* or *off-label* use of the drug is safe, effective and in accordance with nationally accepted standards of practice in the medical community.

(B) If a medical device (as defined by 21 U.S.C. 321(h)) with an Investigational Device Exemption (IDE) approved by the Food and Drug Administration is categorized by the FDA as experimental/investigational (FDA Category A).

NOTE: CHAMPUS will consider for coverage a device with an FDA-approved IDE

categorized by the FDA as non-experimental/investigational (FDA Category B) for CHAMPUS beneficiaries participating in FDA approved clinical trials. Coverage of any such Category B device is dependent on its meeting all other requirements of the laws and rules governing CHAMPUS and upon the beneficiary involved meeting the FDA-approved IDE study protocols.

(C) Unless reliable evidence shows that any medical treatment or procedure has been the subject of well-controlled studies of clinically meaningful endpoints, which have determined its maximum tolerated dose, its toxicity, its safety, and its efficacy as compared with standard means of treatment or diagnosis. (See the definition of *reliable evidence* in § 199.2 of this part for the procedures used in determining if a medical treatment or procedure is unproven.)

(D) If the consensus among experts regarding the medical treatment or procedure is that further studies or clinical trials are necessary to determine its maximum tolerated doses, its toxicity, its safety, or its effectiveness as compared with the standard means of treatment or diagnosis. (See the definition of *reliable evidence* in § 199.2 of this part for the procedures used in determining if a medical treatment or procedure is unproven.)

(ii) CHAMPUS benefits for rare diseases are reviewed on a case-by-case basis by the Director, Office of CHAMPUS, or a designee. In reviewing the case, the Director, or a designee, may consult with any or all of the following sources to determine if the proposed therapy is considered safe and effective:

(A) Trials published in refereed medical literature.

(B) Formal technology assessments.

(C) National medical policy organization positions.

(D) National professional associations.

(E) National expert opinion organizations.

(iii) *Care excluded.* This exclusion from benefits includes all services directly related to the unproven drug, device, or medical treatment or procedure. However, CHAMPUS may cover services or supplies when there is no logical or causal relationship between the unproven drug, device or medical treatment or procedure and the treatment at issue or where such a logical or causal relationship cannot be established with a sufficient degree of certainty. This CHAMPUS coverage is authorized in the following circumstances:

(A) Treatment that is not related to the unproven drug, device or medical treatment or procedure; e.g., medically necessary in the absence of the unproven treatment.

(B) Treatment which is necessary follow-up to the unproven drug, device or medical treatment or procedure but which might have been necessary in the absence of the unproven treatment.

(iv) *Examples of unproven drugs, devices or medical treatments or procedures.* This paragraph (g)(15)(iv) consists of a partial list of unproven drugs, devices or medical treatment or procedures. These are excluded from CHAMPUS program benefits. This list is not all inclusive. Other unproven drugs, devices or medical treatments or procedures, are similarly excluded, although they do not appear on this partial list. This partial list will be reviewed and updated periodically as new information becomes available. With respect to any procedure included on this partial list, if and when the Director, OCHAMPUS determines that based on reliable evidence (as defined in section 199.2) such procedure has proven medical effectiveness, the Director will initiate action to remove the procedure from this partial list of unproven drugs, devices or medical treatment or procedures. From the date established by the Director as the date the procedure has established proven medical effectiveness until the date the regulatory change is made to remove the procedures from the partial list of unproven drugs, devices or medical treatment or procedures the Director, OCHAMPUS will suspend treatment of the procedure as unproven drugs, devices, or medical treatments or procedures. Following is the non-inclusive, partial list of unproven drugs, devices or medical treatment or procedures, all of which are excluded from CHAMPUS benefits:

(A) Radial keratotomy (refractive keratoplasty).

(B) Cellular therapy.

(C) Histamine therapy.

(D) Stem cell assay, a laboratory procedure which allows a determination to be made of the type and dose of cancer chemotherapy drugs to be used, based on in vitro analysis of their effects on cancer cells taken from an individual.

(E) Topical application of oxygen.

(F) Immunotherapy for malignant disease, except when using drugs approved by the FDA for this purpose.

(G) Prolotherapy, joint sclerotherapy, and ligamentous injections with sclerosing agents.

(H) Transcervical block silicone plug.

(I) Whole body hyperthermia in the treatment of cancer.

(J) Portable nocturnal hypoglycemia detectors.

(K) Testosterone pellet implants in the treatment of females.

(L) Estradiol pellet implants.

(M) Epikeratophakia for treatment of aphakia and myopia.

(N) Bladder stimulators.

(O) Ligament replacement with absorbable copolymer carbon fiber scaffold.

(P) Intraoperative radiation therapy.

(Q) Gastric bubble or balloon.

(R) Dorsal root entry zone (DREZ) thermocoagulation or micorcoagulation neurosurgical procedure.

(S) Brain electrical activity mapping (BEAM).

(T) Topographic brain mapping (TBM) procedure.

(U) Ambulatory blood pressure monitoring.

(V) Bilateral carotoid body resection to relieve pulmonary system.

(W) Intracavitary administration of cisplatin for malignant disease.

(X) Cervicography.

(Y) In-home uterine activity monitoring for the purpose of preventing preterm labor and/or delivery.

(Z) Sperm evaluation, hamster penetration test.

(AA) Transfer factor (TF).

(BB) Continuous ambulatory esophageal pH monitoring (CAEpHM) is considered unproven for patients under age 12 for all indications, and for patients over age 12 for sleep apnea.

(CC) Adrenal-to-brain transplantation for Parkinson's disease.

(DD) Videofluoroscopy evaluation in speech pathology.

(EE) Applied kinesiology.

(FF) Hair analysis to identify mineral deficiencies from the chemical composition of the hair. Hair analysis testing may be reimbursed when necessary to determine lead poisoning.

(GG) Iridology (links flaws in eye coloration with disease elsewhere in the body).

(HH) Small intestinal bypass (jejunoileal bypass) for treatment of morbid obesity.

(II) Biliopancreatic bypass.

(JJ) Gastric wrapping/gastric banding.

(KK) Calcium EAP/calcium orotate and selenium (also known as Nieper therapy)—Involves inpatient care and use of calcium compounds and other non-FDA approved drugs and special diets. Used for cancer, heart disease, diabetes, and multiple sclerosis.

(LL) Percutaneous balloon valvuloplasty for mitral and tricuspid valve stenosis.

(MM) Amniocentesis performed for ISO immunization to the ABO blood antigens.

(NN) Balloon dilatation of the prostate.

(OO) Helium in radiosurgery.

(PP) Electrostimulation of salivary production in the treatment of xerostomia secondary to Sjogren's syndrome.

(QQ) Intraoperative monitoring of sensory evoked potentials (SEP). To include visually evoked potentials, brainstem auditory evoked response, somatosensory evoked potentials during spinal and orthopedic surgery, and sensory evoked potentials monitoring of the sciatic nerve during total hip replacement. Recording SEPs in unconscious head injured patients to assess the status of the somatosensory system. The use of SEPs to define conceptional or gestational age in preterm infants.

(RR) Autolymphocyte therapy (ALT) (immunotherapy used for treating metastatic kidney cancer patients).

(SS) Radioimmunoguided surgery in the detection of cancer.

(TT) Gait analysis (also known as a walk study or electrodynogram)

(UU) Use of cerebellar stimulators/pacemakers for the treatment of neurologic disorders.

(VV) Signal-averaged ECG.

(WW) Peri-urethal Teflon injections to manage urinary incontinence.

(XX) Extraoperative electrocorticography for stimulation and recording

(YY) Quantitative computed tomography (QCT) for the detection and monitoring of osteoporosis.

(ZZ) [Reserved]

(AAA) Percutaneous transluminal angioplasty in the treatment of obstructive lesions of the carotoid, vertebral and cerebral arteries.

(BBB) Endoscopic third ventriculostomy.

(CCC) Holding therapy—Involves holding the patient in an attempt to achieve interpersonal contact, and to improve the patient's ability to concentrate on learning tasks.

(DDD) In utero fetal surgery.

(EEE) Light therapy for seasonal depression (also known as seasonal affective disorder (SAD)).

(FFF) Dorsal column and deep brain electrical stimulation of treatment of motor function disorder.

(GGG) Chelation therapy, except with products and for indications approved by the FDA.

(HHH) All organ transplants *except* heart, heart-lung, lung, kidney, some bone marrow, liver, liver-kidney, corneal, heart-valve, and kidney-pancreas transplants for Type I diabetics with chronic renal failure who require kidney transplants.

(III) Implantable infusion pumps, *except* for treatment of spasticity, chronic intractable pain, and hepatic artery perfusion chemotherapy for the treatment of primary liver cancer or metastic colorectal liver cancer.

(JJJ) Services related to the candidiasis hypersensitivity syndrome, yeast syndrome, or gastrointestinal candidiasis (i.e., allergenic extracts of Candida albicans for immunotherapy and/or provocation/neutralization).

(KKK) Treatment of chronic fatigue syndrome.

(LLL) Extracorporeal immunoadsorption using protein A columns for conditions other than acute idopathic thrombocytopenia purpura.

(MMM) Dynamic posturography (both static and computerized).

(NNN) Laparoscopic myomectomy.

(OOO) Growth factor, including platelet-derived growth factors, for treating non-healing wounds. This includes Procurene®, a platelet-derived wound-healing formula.

(PPP) High dose chemotherapy with stem cell rescue (HDC/SCR) for any of the following malignancies:

(1) Breast cancer, except for metastic breast cancer that has relapsed after responding to a first line treatment.

(2) Ovarian cancer.

(3) Testicular cancer.

(16) *Immediate family, household.* Services or supplies provided or prescribed by a member of the beneficiary's immediate family, or a person living in the beneficiary's or sponsor's household.

(17) *Double coverage.* Services and supplies that are (or are eligible to be) payable under another medical insurance or program, either private or governmental, such as coverage through employment or Medicare (refer to § 199.8 of this part).

(18) *Nonavailability Statement required.* Services and supplies provided under circumstances or in geographic locations requiring a Nonavailability Statement (DD Form 1251), when such a statement was not obtained.

(19) *Preauthorization required.* Services or supplies which require preauthorization if preauthorization was not obtained. Services and supplies which were not provided according to the terms of the preauthorization. The Director, OCHAMPUS, or a designee, may grant an exception to the requirement for preauthorization if the services otherwise would be payable except for the failure to obtain preauthorization.

(20) *Psychoanalysis or psychotherapy, part of education.* Psychoanalysis or psychotherapy provided to a beneficiary or any member of the immediate family that is credited towards earning a degree or furtherance of the education or training of a beneficiary or sponsor, regardless of diagnosis or symptoms that may be present.

(21) *Runaways.* Inpatient stays primarily to control or detain a runaway child, whether or not admission is to an authorized institution.

(22) *Services or supplies ordered by a court or other government agency.* Services or supplies, including inpatient stays, directed or agreed to by a court or other governmental agency. However, those services and supplies (including inpatient stays) that otherwise are medically or psychologically necessary for the diagnosis or treatment of a covered condition and that otherwise meet all CHAMPUS requirements for coverage are not excluded.

(23) *Work-related (occupational) disease or injury.* Services and supplies required as a result of occupational disease or injury for which any benefits are payable under a worker's compensation or similar law, whether or not such benefits have been applied for or paid; except if benefits provided under such laws are exhausted.

(24) *Cosmetic, reconstructive, or plastic surgery.* Services and supplies in connection with cosmetic, reconstructive, or plastic surgery except as specifically provided in paragraph (e)(8) of this section.

(25) *Surgery, psychological reasons.* Surgery performed primarily for psychological reasons (such as psychogenic).

(26) *Electrolysis.*

(27) *Dental care.* Dental care or oral surgery, except as specifically provided in paragraph (e)(10) of this section.

(28) *Obesity, weight reduction.* Services and supplies related to obesity or weight reduction whether surgical or nonsurgical; wiring of the jaw or any procedure of similar purpose, regardless of the circumstances under which performed; except that benefits may be provided for the gastric bypass, gastric stapling, or gastroplasty procedures in connection with morbid obesity as provided in paragraph (e)(15) of this section.

(29) *Transsexualism or such other conditions as gender dysphoria.* Services and supplies related to transsexualism or such other conditions as gender dysphoria (including, but not limited, to intersex surgery, psychotherapy, and prescription drugs), except as specifically provided in paragraph (e)(7) of this section.

(30) *Therapy or counseling for sexual dysfunctions or sexual inadequacies.* Sex therapy, sexual advice, sexual counseling, sex behavior modification, psychotherapy for mental disorders involving sexual deviations (i.e., transvestic fetishm), or other similar services, and any supplies provided in connection with therapy for sexual dysfunctions or inadequacies.

(31) *Corns, calluses, and toenails.* Removal of corns or calluses or trimming of toenails and other routine podiatry services, except those required as a result of a diagnosed systemic medical disease affecting the lower limbs, such as severe diabetes.

(32) *Dyslexia.*

(33) *Surgical sterilization, reversal.* Surgery to reverse surgical sterilization procedures.

(34) *Noncoital reproductive procedures including artifical insemination, in-vitro fertilization, gamete intrafallopian transfer and all other such reproductive technologies.* Services and supplies related to artificial insemination (including semen donors and semen banks), in-vitro fertilization, gamete intrafallopian transfer and all other noncoital reproductive technologies.

(35) *Nonprescription contraceptives.*

(36) *Tests to determine paternity or sex of a child.* Diagnostic tests to establish paternity of a child; or tests to determine sex of an unborn child.

(37) *Preventive care.* Preventive care, such as routine, annual, or employment-requested physical examinations; routine screening procedures; except that the following are not excluded:

(i) Well-child care.

(ii) Immunizations for individuals age six and older, as recommended by the CDC.

(iii) Rabies shots.

(iv) Tetanus shot following an accidental injury.

(v) Rh immune globulin.

(vi) Genetic tests as specified in paragraph (e)(3)(ii) of this section.

(vii) Immunizations and physical examinations provided when required in the case of dependents of active duty military personnel who are traveling outside the United States as a result of an active duty member's assignment and such travel is being performed under orders issued by a Uniformed Service.

(viii) Screening mammography for asymptomatic women 40 years of age

and older, and for high risk women 35 years of age and older, when provided under the terms and conditions contained in the guidelines adopted by the Deputy Assistant Secretary of Defense, Health Services Financing.

(ix) Cancer screening Papanicolaou (PAP) test for women who are at risk for sexually transmissible diseases, women who have or have had multiple sexual partners (or if their partner has or has had multiple sexual partners), women who smoke cigarettes, and women 18 years of age and older when provided under the terms and conditions contained in the guidelines adopted by the Deputy Assistant Secretary of Defense, Health Services Financing.

(x) Other cancer screenings authorized by 10 U.S.C. 1079.

(xi) Health promotion and disease prevention visits (which may include all of the services provided pursuant to § 199.18(b)(2)) may be provided in connection with immunizations and cancer screening examinations authorized by paragraphs (g)(37)(ii) of this section or (g)(37)(viii) through (x) of this section.

(38) *Chiropractors and naturopaths.* Services of chiropractors and naturopaths whether or not such services would be eligible for benefits if rendered by an authorized provider.

(39) *Counseling.* Counseling services that are not medically necessary in the treatment of a diagnosed medical condition: For example, educational counseling, vocational counseling, nutritional counseling, and counseling for socioeconomic purposes, diabetic self-education programs, stress management, lifestyle modification, etc. Services provided by a certified marriage and family therapist, pastoral or mental health counselor in the treatment of a mental disorder are covered only as specifically provided in § 199.6. Services provided by alcoholism rehabilitation counselors are covered only when rendered in a CHAMPUS-authorized treatment setting and only when the cost of those services is included in the facility's CHAMPUS-determined allowable cost rate.

(40) *Acupuncture.* Acupuncture, whether used as a therapeutic agent or as an anesthetic.

(41) *Hair transplants, wigs, or hairpieces.*

NOTE: In accordance with section 744 of the DoD Appropriation Act for 1981 (Pub. L. 96–527), CHAMPUS coverage for wigs or hairpieces is permitted effective December 15, 1980, under the conditions listed below. Continued availability of benefits will depend on the language of the annual DoD Appropriation Acts.

(i) *Benefits provided.* Benefits may be extended, in accordance with the CHAMPUS-determined allowable charge, for one wig or hairpiece per beneficiary (lifetime maximum) when the attending physician certifies that alopecia has resulted from treatment of a malignant disease and the beneficiary certifies that a wig or hairpiece has not been obtained previously through the U.S. Government (including the Veterans Administration).

(ii) *Exclusions.* The wig or hairpiece benefit does not include coverage for the following:

(A) Alopecia resulting from conditions other than treatment of malignant disease.

(B) Maintenance, wig or hairpiece supplies, or replacement of the wig or hairpiece.

(C) Hair transplants or any other surgical procedure involving the attachment of hair or a wig or hairpiece to the scalp.

(D) Any diagnostic or therapeutic method or supply intended to encourage hair regrowth.

(42) *Education or training.* Self-help, academic education or vocational training services and supplies, unless the provisions of § 199.4, paragraph (b)(1)(v) relating to general or special education, apply.

(43) *Exercise/relaxation/comfort devices.* Exercise equipment, spas, whirlpools, hot tubs, swimming pools, health club membership or other such charges or items.

(44) *Exercise.* General exercise programs, even if recommended by a physician and regardless of whether or not rendered by an authorized provider. In addition, passive exercises and range of motion exercises also are excluded, except when prescribed by a physician and rendered by a physical therapist concurrent to, and as an integral part of, a comprehensive program of physical therapy.

(45) *Audiologist, speech therapist.* Services of an audiologist or speech therapist, except when prescribed by a physician and rendered as a part of treatment addressed to the physical defect itself and not to any educational or occupational deficit.

(46) *Vision care.* Eye exercises or visual training (orthoptics).

(47) *Eye and hearing examinations.* Eye and hearing examinations except as specifically provided in paragraphs (c)(2)(xvi) and (c)(3)(xi) of this section, or except when rendered in connection with medical or surgical treatment of a covered illness or injury.

(48) *Prosthetic devices.* Prostheses, except artificial limbs, voice prostheses and eyes, or if an item is inserted surgically in the body as an integral part of a surgical procedure. All dental prostheses are excluded, except for those specifically required in connection with otherwise covered orthodontia directly related to the surgical correction of a cleft palate anomaly.

(49) *Orthopedic shoes.* Orthopedic shoes, arch supports, shoe inserts, and other supportive devices for the feet, including special-ordered, custom-made built-up shoes, or regular shoes later built up.

(50) *Eyeglasses.* Eyeglasses, spectacles, contact lenses, or other optical devices, except as specifically provided under paragraph (e)(6) of this section.

(51) *Hearing aids.* Hearing aids or other auditory sensory enhancing devices.

(52) *Telephone services.* Services or advice rendered by telephone are excluded, except that a diagnostic or monitoring procedure which incorporates electronic transmission of data or remote detection and measurement of a condition, activity, or function (biotelemetry) is not excluded when:

(i) The procedure without electronic transmission of data or biotelemetry is otherwise an explicit or derived benefit of this section; and

(ii) The addition of electronic transmission of data or biotelemetry to the procedure is found by the Director, CHAMPUS, or designee, to be medically necessary and appropriate medical care which usually improves the efficiency of the management of a clinical condition in defined circumstances; and

(iii) That each data transmission or biotelemetry device incorporated into a procedure that is otherwise an explicit or derived benefit of this section, has been classified by the U.S. Food and Drug Administration, either separately or as a part of a system, for use consistent with the defined circumstances in paragraph (g)(52)(ii) of this section.

(53) *Air conditioners, humidifiers, dehumidifiers, and purifiers.*

(54) *Elevators or chair lifts.*

(55) *Alterations.* Alterations to living spaces or permanent features attached thereto, even when necessary to accommodate installation of covered durable medical equipment or to facilitate entrance or exit.

(56) *Clothing.* Items of clothing or shoes, even if required by virtue of an allergy (such as cotton fabric as against synthetic fabric and vegetable-dyed shoes).

(57) *Food, food substitutes.* Food, food substitutes, vitamins, or other nutritional supplements, including those related to prenatal care.

(58) *Enuresis.* Enuretic devices; enuretic conditioning programs.

(59) [Reserved]

(60) *Autopsy and postmortem.*

(61) *Camping.* All camping even though organized for a specific therapeutic purpose (such as diabetic camp or a camp for emotionally disturbed children), and even though offered as a part of an otherwise covered treatment plan or offered through a CHAMPUS-approved facility.

(62) *Housekeeper, companion.* Housekeeping, homemaker, or attendant services; sitter or companion.

(63) *Noncovered condition, unauthorized provider.* All services and supplies (including inpatient institutional costs) related to a noncovered condition or treatment, or provided by an unauthorized provider.

(64) *Comfort or convenience.* Personal, comfort, or convenience items such as beauty and barber services, radio, television, and telephone.

(65) *''Stop smoking'' programs.* Services and supplies related to ''stop smoking'' regimens.

(66) *Megavitamin psychiatric therapy, orthomolecular psychiatric therapy.*

(67) *Transportation.* All transportation except by ambulance, as specifically provided under paragraph (d), and except as authorized in paragraph (e)(5) of this section.

(68) *Travel.* All travel even though prescribed by a physician and even if its purpose is to obtain medical care, except as specified in paragraph (a)(6) of this section in connection with a CHAMPUS-required physical examination.

(69) *Institutions.* Services and supplies provided by other than a hospital, unless the institution has been approved specifically by OCHAMPUS. Nursing homes, intermediate care facilities, halfway houses, homes for the aged, or institutions of similar purpose are excluded from consideration as approved facilities under the Basic Program.

NOTE: In order to be approved under CHAMPUS, an institution must, in addition to meeting CHAMPUS standards, provide a level of care for which CHAMPUS benefits are payable.

(70) *Supplemental diagnostic services.* Diagnostic services including clinical laboratory examinations, x-ray examinations, pathological examinations, and machine tests that produce hard-copy results performed by civilian providers at the request of the attending Uniformed Service medical department physician (active duty or civil service).

(71) *Supplemental consultations.* Consultations provided by civilian providers at the request of the attending Uniformed Services medical department physician (active duty or civil service).

(72) *Inpatient mental health services.* Effective for care received on or after October 1, 1991, services in excess of 30 days in any fiscal year (or in an admission), in the case of a patient nineteen years of age or older, 45 days in any fiscal year (or in an admission) in the case of a patient under 19 years of age, or 150 days in any fiscal year (or in an admission) in the case of inpatient mental health services provided as residential treatment care, unless coverage for such services is granted by a waiver by the Director, OCHAMPUS, or a designee. In cases involving the day limitations, waivers shall be handled in accordance with paragraphs (b)(8) or (b)(9) of this section. For services prior to October 1, 1991, services in excess of 60 days in any calendar year unless additional coverage is granted by the Director, OCHAMPUS, or a designee.

(73) *Economic interest in connection with mental health admissions.* Inpatient mental health services (including both acute care and RTC services) are excluded for care received when a patient is referred to a provider of such services by a physician (or other health care professional with authority to admit) who has an economic interest in the facility to which the patient is referred, unless a waiver is granted. Requests for waiver shall be considered under the same procedure and based on the same criteria as used for obtaining preadmission authorization (or continued stay authorization for emergency admissions), with the only additional requirement being that the economic interest be disclosed as part of the request. The same reconsideration and appeals procedures that apply to day limit waivers shall also apply to decisions regarding requested waivers of the economic interest exclusion. However, a provider may appeal a reconsidered determination that an economic relationship constitutes an economic interest within the scope of the exclusion to the same extent that a provider may appeal determinations under § 199.15(i)(3). This exclusion does not apply to services under the Program for Persons with Disabilities (§ 199.5) or provided as partial hospital care. If a situation arises where a decision is made to exclude CHAMPUS payment solely on the basis of the provider's economic interest, the normal CHAMPUS appeals process will be available.

(74) *Not specifically listed.* Services and supplies not specifically listed as a benefit in this part. This exclusion is not intended to preclude extending benefits for those services or supplies specifically determined to be covered within the intent of this part by the Director, OCHAMPUS, or a designee, even though not otherwise listed.

NOTE: The fact that a physician may prescribe, order, recommend, or approve a service or supply does not, of itself, make it medically necessary or make the charge an

allowable expense, even though it is not listed specifically as an exclusion.

(h) *Payment and liability for certain potentially excludable services under the Peer Review Organization program*—(1) *Applicability*. This subsection provides special rules that apply only to services retrospectively determined under the Peer Review organization (PRO) program (operated pursuant to § 199.15) to be potentially excludable (in whole or in part) from the basic program under paragraph (g) of this section. Services may be excluded by reason of being not medically necessary (paragraph (g)(1) of this section), at an inappropriate level (paragraph (g)(3) of this section), custodial care (paragraph (g)(7) of this section) or other reason relative to reasonableness, necessity or appropriateness (which services shall throughout the remainder of this subsection, be referred to as ''not medically necessary''). (Also throughout the remainder of the subsection, ''services'' includes items and ''provider'' includes supplier). This paragraph does not apply to coverage determinations made by OCHAMPUS or the fiscal intermediaries which are not based on medical necessity determinations made under the PRO program.

(2) *Payment for certain potentially excludable expenses.* Services determined under the PRO program to be potentially excludable by reason of the exclusions in paragraph (g) of this section for not medically necessary services will not be determined to be excludable if neither the beneficiary to whom the services were provided nor the provider (institutional or individual) who furnished the services knew, or could reasonably have been expected to know, that the services were subject to those exclusions. Payment may be made for such services as if the exclusions did not apply.

(3) *Liability for certain excludable services.* In any case in which items or services are determined excludable by the PRO program by reason of being not medically necessary and payment may not be made under paragraph (h)(2) of this section because the requirements of paragraph (h)(2) of this section are not met, the beneficiary may not be held liable (and shall be entitled to a full refund from the provider of the amount excluded and any cost share amount already paid) if:

(i) The beneficiary did not know and could not reasonably have been expected to know that the services were excludable by reason of being not medically necessary; and

(ii) The provider knew or could reasonably have been expected to know that the items or services were excludable by reason of being not medically necessary.

(4) *Criteria for determining that beneficiary knew or could reasonably have been expected to have known that services were excludable.* A beneficiary who receives services excludable by reason of being not medically necessary will be found to have known that the services were excludable if the beneficiary has been given written notice that the services were excludable or that similar or comparable services provided on a previous occasion were excludable and that notice was given by the OCHAMPUS, CHAMPUS PRO or fiscal intermediary, a group or committee responsible for utilization review for the provider, or the provider who provided the services.

(5) *Criteria for determining that provider knew or could reasonably have been expected to have known that services were excludable.* An institutional or individual provider will be found to have known or been reasonably expected to have known that services were excludable under this subsection under any one of the following circumstances:

(i) The PRO or fiscal intermediary had informed the provider that the services provided were excludable or that similar or reasonably comparable services were excludable.

(ii) The utilization review group or committee for an institutional provider or the beneficiary's attending physician had informed the provider that the services provided were excludable.

(iii) The provider had informed the beneficiary that the services were excludable.

(iv) The provider had received written materials, including notices, manual issuances, bulletins, guides, directives or other materials, providing notification of PRO screening criteria

specific to the condition of the beneficiary. Attending physicians who are members of the medical staff of an institutional provider will be found to have also received written materials provided to the institutional provider.

(v) The services that are at issue are the subject of what are generally considered acceptable standards of practice by the local medical community.

(vi) Preadmission authorization was available but not requested, or concurrent review requirements were not followed.

[51 FR 24008, July 1, 1986]

EDITORIAL NOTES: 1. For FEDERAL REGISTER citations affecting §199.4, see the List of CFR Sections Affected in the Finding Aids section of this volume.

2. Certain provisions of §199.4 are effective retroactively. (See 61 FR 59337, Nov. 22, 1996.)

§199.5 Program for Persons with Disabilities (PFPWD).

(a) *General.* This PFPWD provides financial assistance for certain CHAMPUS beneficiaries who are moderately or severely mentally retarded, or seriously physically disabled. The PFPWD is not intended to be a stand alone benefit.

(1) *Purpose.* The primary purpose of the PFPWD is to assist in reducing the disabling effects of a PFPWD qualifying condition.

(2) *Benefit source election.* A PFPWD beneficiary (or sponsor or guardian acting on behalf of the beneficiary) may elect to use the provisions of either this section, or the provisions of §199.4, for a specific service or item which is allowable by both sections.

(i) *Election limitation.* No amount for authorized, or otherwise allowed, PFPWD services or items remaining after the maximum PFPWD benefit dollar amount has been reached in a given month may be cost-shared through the provisions of §199.4.

(ii) *Election change.* A beneficiary (or sponsor or guardian acting on behalf of the beneficiary) shall have the right to request the Director, OCHAMPUS, or designee, to allow PFPWD cost-shared services or items otherwise allowable as a benefit of §199.4, and which were rendered after the catastrophic loss protection provision applicable to §199.4 was in effect for a given PFPWD beneficiary's sponsor, to be readjudicated according to the provisions of §199.4. The Director, OCHAMPUS, or designee, shall allow readjudication when the sponsor's family's CHAMPUS benefit year cost-share liability would be reduced by such readjudication. Such requests are subject to the claims filing deadline provisions of §199.7. The determination regarding readjudication is conclusive and may not be appealed.

(3) *Application required.* A beneficiary shall establish PFPWD eligibility as a prerequisite to authorization or payment of any PFPWD benefits. Subsequent review of the PFPWD qualifying condition to confirm continued eligibility shall be made in accordance with the prognosis for a change in severity such that the condition would not likely continue to be a PFPWD qualifying condition.

(4) *Benefit authorization.* To establish whether a requested service or item is a PFPWD benefit, the beneficiary (or sponsor or guardian acting on the behalf of the beneficiary) shall provide such information about how the requested benefit will contribute to confirming, arresting, or reducing the disabling effects of the qualifying condition as the Director, OCHAMPUS, or designee, determines necessary for benefit adjudication.

(i) *Written authorization.* The Director, OCHAMPUS, or designee, may require written authorization for any PFPWD category or type of service or item as a prerequisite for adjudication of related claims.

(ii) *Format.* An authorization issued by the Director, OCHAMPUS, or designee, shall specify, such description, dates, amounts, requirements, limitations or information as necessary for exact identification of approved benefits and efficient adjudication of resulting claims.

(iii) *Valid period.* An authorization for a particular PFPWD service or item shall not exceed six consecutive months.

(iv) *Authorization waiver.* The Director, OCHAMPUS, or designee, shall waive the requirement for a written CHAMPUS authorization for rendered PFPWD services or items that, except for the absence of the written

CHAMPUS authorization, would be allowable as a PFPWD benefit.

(v) *Public facility use.* A PFPWD beneficiary residing within a State, as defined in § 199.2, must demonstrate that a public facility, as defined in § 199.2, funds, except funds administered under a State plan for medical assistance under Title XIX of the Social Security Act (Medicaid) is not available or adequate, as defined in § 199.2, to meet the qualifying condition related need.

(A) Equipment repair or maintenance for beneficiary owned equipment shall be considered not available when the equipment is a type allowable as a benefit.

(B) A beneficiary shall not be required to change the provider of public facility funded therapy when public facility funding is depleted during that beneficiary's course of therapy and when such a change is determined by the Director, OCHAMPUS, or designee, to be clinically contraindicated. When contraindicated, other public facilities for the therapy shall not be considered adequate for the beneficiary.

(5) *Public facility use certification.* Written certification, in accord with information requirements, formats, and procedures established by the Director, OCHAMPUS, or designee that requested PFPWD services or items cannot be obtained from public facilities because the services or items are not available, or if available, are not adequate, is a prerequisite for PFPWD benefit payment.

(i) A Military Treatment Facility (MTF) Commander, or designee, may make such certification for a beneficiary residing within a defined geographic area.

(ii) An administrator of a public facility, or designee, may make such certification for a beneficiary residing within the service area of that public facility.

(iii) The domicile of the beneficiary shall be the basis for the determination of public facility availability when the sponsor and beneficiary are separately domiciled due to the sponsor's move to a new permanent duty station or due to legal custody requirements.

(iv) The Director, OCHAMPUS, or designee, may determine, on a case-by-case basis, that apparent public facility availability for a requested type of service or item can not be substantiated for a specific beneficiary's request for PFPWD benefits and is not available.

(A) A case-specific determination shall be shall be based upon a written statement by the beneficiary (or sponsor or guardian acting on behalf of the beneficiary) which details the circumstances wherein a specific individual representing a specific public facility refused to provide a public facility use certification, and such other information as the Director, OCHAMPUS, or designee determines to be material to the determination.

(B) A case-specific determination of public facility availability by the Director, OCHAMPUS, or designee, is conclusive, and is not appealable.

(6) *Equipment.* (i) An item of equipment shall not be authorized when such authorization would allow concurrent PFPWD cost-sharing of more than one item of the same type of equipment for the same beneficiary.

(ii) Reasonable repairs and maintenance shall be allowable for any beneficiary owned equipment otherwise allowable by this section.

(7) *Implementing instructions.* The Director, OCHAMPUS, or designee shall issue policies, instructions, procedures, guidelines, standards, and criteria necessary to assure the quality and efficiency of services and items furnished as a PFPWD benefit and to otherwise accomplish the purpose of the PFPWD.

(i) *Other requirements.* All provisions of this part, except the provisions of § 199.4, apply to the PFPWD unless otherwise provided by this section.

(ii) *Continuity of eligibility.* A CHAMPUS beneficiary who has an outstanding Program for the Handicapped (PFTH) benefit authorization during the 30 calendar day period immediately prior to the effective date of the Program for Persons with Disabilities (PFPWD) shall be deemed to have a PFPWD qualifying condition for the duration of the period during which the beneficiary is otherwise eligible for PFPWD and the beneficiary continues to meet the applicable PFTH qualifying condition criteria.

(b) *Eligibility*—(1) *Spouse or child.* PFPWD benefits are limited to a

CHAMPUS eligible child or spouse, but not a former spouse, except as provided in paragraph (b)(1)(ii) of this section, of:

(i) *Active duty sponsor.* An active duty member of one of the Uniformed Services as determined in accordance with the provisions of §199.3; or

(ii) *Former member sponsor.* After November 13, 1986, a former member of a Uniformed Service, when the qualifying condition is the result of, or has been exacerbated by, an injury or illness resulting from physical or emotional abuse; or

(iii) *Deceased sponsor.* A CHAMPUS beneficiary remains eligible for benefits under the PFPWD:

(A) For a period of one calendar year from the date an active duty sponsor dies; or

(B) Through midnight of the beneficiary's twenty-first birthday when the beneficiary is receiving PFPWD benefits at the time the active duty sponsor dies and the sponsor was eligible, at the time of death, for receipt of hostile-fire pay or died as a result of a disease or injury incurred while eligible for such pay.

(2) *Loss of PFPWD eligibility.* Eligibility for PFPWD benefits ceases as of 12.:01 a.m. of the day following the day that:

(i) The sponsor ceases to be an active duty member for any reason other than death; or

(ii) Eligibility based upon the abused dependent provisions of paragraph (b)(1) of this section expires; or

(iii) Eligibility based upon the deceased sponsor provisions of paragraph (b)(1) of this section expires; or

(iv) The Director, OCHAMPUS, or designee, determines that the beneficiary no longer has a qualifying condition.

(3) *Qualifying condition*—(i) *Mental retardation.* A diagnosis of moderate or severe mental retardation made in accordance with the criteria of the current edition of the ''Diagnostic and Statistical Manual of Mental Disorders'' published by the American Psychiatric Association is a PFPWD qualifying condition.

(ii)*Serious physical disability.* A serious physical disability as defined in §199.2, is a PFPWD qualifying condition.

(iii) *Infant/toddler.* For CHAMPUS beneficiaries under the age of three years with a diagnosed neuromuscular developmental condition or Down syndrome, or other condition that can to a reasonable medical probability be expected to precede a diagnosis of moderate or severe mental retardation or be characterized as a serious physical disability before the age of seven, the Director, OCHAMPUS, or designee, shall establish criteria for PFPWD eligibility in lieu of the requirements of paragraph (b)(3)(i) or paragraph (b)(3)(ii) of this section.

(iv) *Multiple disabilities.* The cumulative disabling effect shall be used in the adjudication of a qualifying condition determination when an applicant has two or more disabilities involving separate body systems.

(c) *Benefit.* Items or services which the Director, OCHAMPUS, or designee, has determined to be intrinsic to the following benefit categories and has determined to be capable of confirming, arresting, or reducing the severity of the disabling effects of a qualifying condition, generally or in a specific case, and which are not otherwise excluded by this PFPWD, may be allowed.

(1) *Diagnostic procedures* to establish a qualifying condition diagnosis or to measure the extent of functional loss.

(2) *Treatment* through the use of such medical, habilitative, or rehabilitative methods, techniques, therapies and equipment which otherwise meet the requirements of this PFPWD. Treatment includes, but is not limited to, prosthetic devices, orthopedic braces, and orthopedic appliances. Otherwise allowable treatment may be rendered in-home, or as inpatient or outpatient care as appropriate.

(3) *Training* when required to allow the use of an assistive technology device or to acquire skills which are expected to assist the beneficiary to reduce the disabling effects of a qualifying condition and for parents (or guardian) and siblings of a PFPWD beneficiary when required as an integral part of the management of the qualifying condition.

(4) *Special education instruction,* other than training specifically designed to accommodate the disabling effects of a qualifying condition.

(5) *Institutional care* within a State, as defined in § 199.2, when the severity of the qualifying condition requires protective custody or training in a residential environment.

(6) *Transportation* when required to convey the PFPWD beneficiary to or from a facility or institution to receive otherwise allowable services or items. Transportation for a medical attendant may be approved when medically necessary for the safe transport of the PFPWD eligible beneficiary.

(7) *Adjunct services*—(i) *Assistive services.* Services of a qualified interpreter or translator for PFPWD beneficiaries who are deaf, readers for PFPWD beneficiaries who are blind, and personal assistants for PFPWD beneficiaries with other types of qualifying conditions, when such services are not directly related to the rendering or delivery of service or item otherwise an allowable PFPWD benefit.

(ii) *Equipment adaptation.* The allowable equipment purchase shall encompass such services and structural modification to the equipment as necessary to make the equipment serviceable for a particular disability.

(iii) *Equipment maintenance.* Reasonable repairs and maintenance for that portion of the useful life of beneficiary owned equipment that is concurrent with the beneficiary's PFPWD eligibility.

(d) *Exclusions*—(1) *Inpatient acute care* for medical or surgical treatment of an acute illness, or of an acute exacerbation of the qualifying condition, is excluded.

(2) *Structural alterations* to living space and permanent fixtures attached thereto, including alterations necessary to accommodate installation of equipment, or to facilitate entrance or exit, are excluded.

(3) *Homemaker, sitter, or companion services,* except as institutional care of adjunct services, which predominantly provide assistance with daily living activities or accomplish household chores or provide companionship or provide supervision or observation, or any combination of these functions, are excluded.

(4) *Dental care or orthodontic treatment* is excluded.

(5) *Nondomestic travel* which originates or terminates outside of a State, as defined in § 199.2, is excluded.

(6) *Deluxe travel accommodation* price differential between the price for a type of accommodation which provides services or features which exceed the requirements of the beneficiary's condition for safe transport and the price for a type of accommodation without those deluxe features, is excluded.

(7) *Equipment.* Exclusions for durable medical equipment at § 199.4(d)(3)(ii)(D) apply to all PFPWD allowable equipment.

(8) *Medical devices.* Prosthetic devices and medical equipment which do not meet the benefit requirements of § 199.4 are excluded.

(9) *No obligation to pay.* Services or items for which the beneficiary or sponsor has no legal obligation to pay, or for which no charge would be made if the beneficiary was not eligible for the CHAMPUS, are excluded.

(10) *Public facility or Federal government.* Services or items paid for, or eligible for payment, directly or indirectly by a Public Facility, as defined in § 199.2, or by the Federal government, other than the Department of Defense, are excluded, except when such services or items are eligible for payment under a State plan for medical assistance under Title XIX of the Social Security Act (Medicaid).

(11) *Study, grant, or research programs.* Services and items provided as a part of a scientific clinical study, grant, or research program are excluded.

(12) *Unproven drugs, devices, and medical treatments or procedures.* Services and items whose safety and efficacy have not been established as described in § 199.4 are unproven and cannot be cost-shared by CHAMPUS.

(13) *Immediate family or household.* Services or items provided or prescribed by a member of the beneficiary's immediate family, or a person living in the beneficiary's or sponsor's household, are excluded.

(14) *Court or agency ordered care.* Services or items ordered by a court or other government agency that are not

otherwise a legitimate PFPWD benefit are excluded.

(15) *Excursions.* Additional or special charges for excursions, other than otherwise allowable transportation, are excluded even though part of a program offered by an approved provider.

(16) *Drugs and medicines.* Drugs and medicines which do not meet the benefit requirements of § 199.4 are excluded.

(17) *Therapeutic absences.* Therapeutic absences from an inpatient facility are excluded.

(e) *Cost-share liability*—(1) *No deductible.* PFPWD benefits are not subject to a deductible amount.

(2)(i) *Sponsor cost-share liability.* Regardless of the number of PFPWD eligible family members, the sponsor's cost share for allowed PFPWD benefits in a given month is according to the following table:

Member's pay grade	Monthly share
E–1 through E–5	$25
E–6	30
E–7 and O–1	35
E–8 and O–2	40
E–9, W–1, W–2, and O–3	45
W–3, W–4, and O–4	50
W–5 and O–5	65
O–6	75
O–7	100
O–8	150
O–9	200
O–10	250

(ii) The sponsor's cost-share will be applied, up to the amount given in the table in paragraph (e)(2)(i), to the first allowed charges in any given month. The government's share will be paid, up to the maximum amount(s) specified in paragraphs (e)(3) and (e)(4) of this section for allowed charges after the sponsor's cost-share has been applied.

(3) *Government cost-share liability: member who sponsors one PFPWD beneficiary.* The total government share of the cost of all PFPWD benefits provided in a given month to a beneficiary who is the sponsor's only PFPWD eligible family member may not exceed $1,000 after application of the allowable payment methodology. Any amount remaining after the Government's maximum share has been reached is the responsibility of the active duty sponsor.

(4) *Government cost-share liability: member who sponsors more than one PFPWD beneficiary.* The total government share of the cost of all PFPWD allowable benefits provided in a given month to a beneficiary who is one of two or more PFPWD eligible family members of the same sponsor shall be determined as follows:

(i) *Maximum benefit limit determination for the first PFPWD eligible beneficiary.* The $1,000 maximum monthly government PFPWD benefit amount shall apply only to the beneficiary incurring the least amount of allowable PFPWD expense in a given month, after application of the allowable payment methodology. If two or more PFPWD eligible beneficiaries have the same amount of allowable PFPWD expenses in a given month, the $1,000 maximum benefit in that month shall apply to only one PFPWD eligible beneficiary.

(ii) *Maximum benefit limit determination for the remaining PFPWD eligible beneficiaries.* After application of the Government's cost-share specified in paragraph (e)(4)(i) of this section, the government shall cost-share the entire remaining amount for all allowable services and items received in that month by the remaining PFPWD eligible beneficiaries.

(f) *Benefit payment*—(1) *Equipment.* The allowable amount for equipment shall be calculated in the same manner as durable medical equipment allowable through § 199.4.

(2) *Transportation.* The allowable amount for transportation is limited to the actual cost of the standard published fare plus any standard surcharge made to accommodate any person with a similar disability or to the actual cost of specialized medical transportation when nonspecialized transport cannot accommodate the beneficiary's disability related needs, or when specialized transport is more economical than nonspecialized transport. When transport is by private vehicle, the allowable amount is limited to the Federal government employee mileage reimbursement rate in effect on the trip date.

(3) *Proration of equipment expense.* The PFPWD beneficiary (or sponsor or guardian acting on the beneficiary's behalf) may, only at the time of the request for authorization of equipment, specify that the allowable cost of the

equipment be prorated. Equipment expense proration permits the allowable cost of an item of PFPWD authorized equipment to be apportioned so that no portion of the allowable cost exceeds the monthly benefit limit and allows each apportioned amount to be separately authorized as a benefit during subsequent contiguous months.

(i) *Maximum period.* The maximum number of contiguous months during which a prorated amount may be authorized for cost-share shall be the lesser of:

(A) The number of months calculated by dividing the initial allowable cost for the item of equipment by $1,000 and doubling the resulting quotient; or

(B) The number of months of useful equipment life for the requesting beneficiary, as determined by the Director, OCHAMPUS, or designee.

(ii) *Cost-share.* A cost-share is applicable in any month in which a prorated amount is authorized, subject to the cost-share provisions for a sponsor with two or more PFPWD eligible beneficiaries.

(iii) *Termination.* Prorated payments shall be terminated as of the first day of the month following the death of a beneficiary or as of the effective date of a beneficiary's loss of PFPWD eligibility for any other reason.

(4) *For-profit institutional care provider.* Institutional care provided by a for-profit entity may be allowed only when the care for a specific PFPWD beneficiary:

(i) Is contracted for by a public facility, as defined in § 199.2, as a part of a publicly funded long-term inpatient care program; and

(ii) Is provided based upon the PFPWD beneficiary's being eligible for the publicly funded program which has contracted for the care; and

(iii) Is authorized by the public facility as a part of a publicly funded program; and

(iv) Would cause a cost-share liability in the absence of CHAMPUS eligibility; and

(v) Produces a PFPWD beneficiary cost-share liability that does not exceed the maximum charge by the provider to the public facility for the contracted level of care.

(g) *Implementing instructions.* The Director, OCHAMPUS, or a designee, shall issue CHAMPUS policies, instructions, procedures, guidelines, standards, and criteria as may be necessary to implement the intent of this section.

[62 FR 35093, June 30, 1997, as amended at 62 FR 42904, Aug. 11, 1997]

§ 199.6 Authorized providers.

(a) *General.* This section sets forth general policies and procedures that are the basis for the CHAMPUS cost-sharing of medical services and supplies provided by institutions, individuals, or other types of providers. Providers seeking payment from the Federal Government through programs such as CHAMPUS have a duty to familiarize themselves with, and comply with, the program requirements.

(1) *Listing of provider does not guarantee payment of benefits.* The fact that a type of provider is listed in this section is not to be construed to mean that CHAMPUS will automatically pay a claim for services or supplies provided by such a provider. The provider who actually furnishes the service(s) must, in fact, meet all licensing and other requirements established by this part to be an authorized provider; the provider must not be the subject of sanction under § 199.9; and, cost-sharing of the services must not otherwise be prohibited by this part. In addition, the patient must in fact be an eligible beneficiary and the services or supplies billed must be authorized and medically necessary, regardless of the standing of the provider.

(2) *Outside the United States or emergency situations within the United States.* Outside the United States or within the United States and Puerto Rico in emergency situations, the Director, OCHAMPUS, or a designee, after review of the facts, may provide payment to or on behalf of a beneficiary who receives otherwise covered services or supplies from a provider of service that does not meet the standards described in this part.

NOTE: Only the Secretary of Defense, the Secretary of Health and Human Services, or the Secretary of Transportation, or their designees, may authorize (in emergency situations) payment to civilian facilities in the

United States that are not in compliance with title VI of the Civil Rights Act of 1964. For the purpose of the Civil Rights Act only, the United States includes the 50 states, the District of Columbia, Puerto Rico, Virgin Islands, American Samoa, Guam, Wake Island, Canal Zone, and the territories and possessions of the United States.

(3) *Dual Compensation/Conflict of Interest.* Title 5, United States Code, section 5536 prohibits medical personnel who are active duty Uniformed Service members or civilian employees of the Government from receiving additional Government compensation above their normal pay and allowances for medical care furnished. In addition, Uniformed Service members and civilian employees of the Government are generally prohibited by law and agency regulations and policies from participating in apparent or actual conflict of interest situations in which a potential for personal gain exists or in which there is an appearance of impropriety or incompatibility with the performance of their official duties or responsibilities. The Departments of Defense, Health and Human Services, and Transportation have a responsibility, when disbursing appropriated funds in the payment of CHAMPUS benefits, to ensure that the laws and regulations are not violated. Therefore, active duty Uniformed Service members (including a reserve member while on active duty and civilian employees of the United States Government shall not be authorized to be CHAMPUS providers. While individual employees of the Government may be able to demonstrate that the furnishing of care to CHAMPUS beneficiaries may not be incompatible with their official duties and responsibilities, the processing of millions of CHAMPUS claims each year does not enable Program administrators to efficiently review the status of the provider on each claim to ensure that no conflict of interest or dual compensation situation exists. The problem is further complicated given the numerous interagency agreements (for example, resource sharing arrangements between the Department of Defense and the Veterans Administration in the provision of health care) and other unique arrangements which exist at individual treatment facilities around the country. While an individual provider may be prevented from being an authorized CHAMPUS provider even though no conflict of interest or dual compensation situation exists, it is essential for CHAMPUS to have an easily administered, uniform rule which will ensure compliance with the existing laws and regulations. Therefore, a provider who is an active duty Uniformed Service member or civilian employee of the Government shall not be an authorized CHAMPUS provider. In addition, a provider shall certify on each CHAMPUS claim that he/she is not an active duty Uniformed Service member or civilian employee of the Government.

(4) [Reserved]

(5) *Utilization review and quality assurance.* Providers approved as authorized CHAMPUS providers have certain obligations to provide services and supplies under CHAMPUS which are (i) furnished at the appropriate level and only when and to the extent medically necessary under the criteria of this part; (ii) of a quality that meets professionally recognized standards of health care; and, (iii) supported by adequate medical documentation as may be reasonably required under this part by the Director, OCHAMPUS, or designee, to evidence the medical necessity and quality of services furnished, as well as the appropriateness of the level of care. Therefore, the authorization of CHAMPUS benefits is contingent upon the services and supplies furnished by any provider being subject to pre-payment or post-payment utilization and quality assurance review under professionally recognized standards, norms, and criteria, as well as any standards or criteria issued by the Director, OCHAMPUS, or a designee, pursuant to this part. (Refer to §§ 199.4, 199.5, and 199.7 of this part.)

(6) *Exclusion of beneficiary liability.* In connection with certain utilization review, quality assurance and preauthorization requirements of section 199.4 of this part, providers may not hold patients liable for payment for certain services for which CHAMPUS payment is disallowed. With respect to such services, providers may not seek payment from the patient or the patient's family. Any such effort to seek payment is a basis for

termination of the provider's authorized status.

(7) *Provider required.* In order to be considered for benefits, all services and supplies shall be rendered by, prescribed by, or furnished at the direction of, or on the order of a CHAMPUS-authorized provider practicing within the scope of his or her license.

(8) *Participating Providers.* (i) *In general.* A Participating Provider is an individual or institutional provider that has agreed to accept the CHAMPUS-determined allowable amount as payment in full for the medical services and supplies provided to the CHAMPUS beneficiary, and has agreed to accept the amount paid by CHAMPUS or the CHAMPUS payment combined with the cost sharing and deductible amounts paid by, or on behalf of, the beneficiary as full payment for the covered medical services or supplies. In addition, Participating Providers submit the appropriate claims forms to the appropriate CHAMPUS contractor on behalf of the beneficiary. There are several circumstances under which providers are Participating Providers.

(ii) *Mandatory participation.* Medicare-participating hospitals are required by law to be Participating Providers on all inpatient claims under CHAMPUS. Hospitals that are not Medicare-participating providers but are subject to the CHAMPUS DRG-based payment system or the CHAMPUS mental health payment system (see § 199.14(a)), must sign agreements to participate on all CHAMPUS inpatient claims in order to be authorized providers under CHAMPUS.

(iii) *Participating Provider Program.*

(A) *In general.* An institutional provider not required to participate pursuant to paragraph (a)(8)(ii) of this section and any individual provider may become a Participating Provider by signing a Participating Provider agreement. In such an agreement, the provider agrees that all CHAMPUS claims filed during the time period covered by the agreement will be on a participating basis.

(B) *Agreement required.* Under the Participating Provider Program, the provider must sign an agreement or memorandum of understanding under which the provider agrees to become a Participating Provider. Such an agreement may be with the nearby military treatment facility, a CHAMPUS contractor, or other authorized official. Such agreement may include other provisions pertaining to the Participating Provider Program. The Director, OCHAMPUS shall establish a standard model agreement and other procedures to promote uniformity in the administration of the Participating Provider Program.

(C) *Relationship to other activities.* Participating Provider agreements may include other provisions, such as provisions regarding discounts (see § 199.14(i)) or other provisions in connection with the delivery and financing of health care services, as authorized by this part or other DoD Directives or Instructions. Participating Provider agreement provisions may also be incorporated into other types of agreements, such as preferred provider arrangements where such arrangements are established under CHAMPUS.

(iv) *Claim-by-claim participation.* Institutional and individual providers that are not participating providers pursuant to paragraphs (a)(8)(ii) or (iii) of this section may elect to participate on a claim-by-claim basis. They may do so by signing the appropriate space on the claims form and submitting it to the appropriate CHAMPUS contractor on behalf of the beneficiary.

(9) *Limitation to authorized institutional provider designation.* Authorized institutional provider status granted to a specific institutional provider applicant does not extend to any institution-affiliated provider, as defined in § 199.2, of that specific applicant.

(10) *Authorized provider.* A hospital or institutional provider, physician, or other individual professional provider, or other provider of services or supplies specifically authorized in this chapter to provide benefits under CHAMPUS. In addition, to be an authorized CHAMPUS provider, any hospital which is a CHAMPUS participating provider under paragraph (a)(7) of this section, shall be a participating provider for all care, services, or supplies furnished to an active duty member of the uniformed services for which the active duty member is entitled under 10 U.S.C. 1074(c). As a participating

provider for active duty members, the CHAMPUS authorized hospital shall provide such care, services, and supplies in accordance with the payment rules of § 199.16 of this part. The failure of any CHAMPUS participating hospital to be a participating provider for any active duty member subjects the hospital to termination of the hospital's status as a CHAMPUS authorized provider for failure to meet the qualifications established by this part.

(11) *Submittal of claims by provider required.*—(i) *General rule.* Unless waived pursuant to paragraph (a)(11)(ii) of this section, every CHAMPUS-authorized institutional and individual provider is required to submit CHAMPUS claims to the appropriate CHAMPUS contractor on behalf of the beneficiary for all services and supplies. In addition, the provider may not impose any charge relating to completing and submitting the applicable claim form (or any other related information). (Although CHAMPUS encourages provider participation, paragraph (a)(11) of this section requires only the submission of claim forms by providers on behalf of beneficiaries; it does not require that providers accept assignment of beneficiaries' claims or become Participating Providers.)

(ii) *Waiver of claims submission requirement.* The requirement that providers submit claims on behalf of beneficiaries may be waived in circumstances set forth in paragraph (a)(11)(ii) of this section. A decision by the Director, OCHAMPUS to waive or not waive the requirement in any particular circumstance is not subject to the appeal and hearing procedures of § 199.10.

(A) *General requirement for waiver.* The requirement that providers submit claims on behalf of beneficiaries may be waived by the Director, OCHAMPUS when the Director determines that the waiver is necessary in order to ensure adequate access for CHAMPUS beneficiaries to health care services. However, the requirement may not be waived for Participating Providers (see paragraph (a)(8) of this section).

(B) *Blanket waiver for providers outside the United States.* The requirement that providers submit claims is waived with respect to providers outside the United States (the United States includes Puerto Rico for this purpose).

(C) *Blanket waiver in double coverage cases.* The requirement that providers submit claims is waived in cases in which another insurance plan or program provides primary coverage for the services.

(D) *Waivers for particular categories of care.* The Director, OCHAMPUS may waive the requirement that providers submit claims if the Director determines that available evidence clearly shows that the requirement would impair adequate access. For this purpose, such evidence may include consideration of the number of providers in the locality who provide the affected services, the number of such providers who are CHAMPUS Participating Providers, the number of CHAMPUS beneficiaries in the area, and other relevant factors. Providers or beneficiaries in a locality may submit to the Director, OCHAMPUS a petition, together with appropriate documentation regarding relevant factors, for a determination that adequate access would be impaired. The Director, OCHAMPUS will consider and respond to all such petitions. The Director, OCHAMPUS may establish procedures for handling such petitions.

(E) *Case-by-case waivers.* On a case-by-case basis, the Director, OCHAMPUS may waive the provider's obligation to submit that claim if the Director determines that a waiver in that case is necessary in order to ensure adequate access for CHAMPUS beneficiaries to the health care services involved. Such case-by-case waivers may be requested by providers or beneficiaries pursuant to procedures established by the Director.

(iii) *Remedies for noncompliance.* (A) In any case in which a provider fails to submit a claim, or charges an administrative fee for filing a claim (or any other related information), in violation of the requirements of paragraph (a)(11) of this section, the amount that would otherwise be allowable for the claim shall be reduced by ten percent, unless the reduction is waived by the Director, OCHAMPUS based on special circumstances. The amount disallowed by such a reduction may not be billed to

the patient (or the patient's sponsor or family).

(B) Repeated failures by a provider to comply with the requirements of paragraph (a)(11) of this section shall be considered abuse and/or fraud and grounds for exclusion or suspension of the provider under § 199.9.

(12) *Balance billing limits.*

(i) *In general.* Individual providers who are not Participating Providers may not balance bill a beneficiary an amount which exceeds the applicable balance billing limit. The balance billing limit shall be the same percentage as the Medicare limiting charge percentage for nonparticipating physicians.

(ii) *Waiver.* The balance billing limit may be waived by the Director, OCHAMPUS on a case-by-case basis if requested by a CHAMPUS beneficiary. A decision by the Director, OCHAMPUS to waive or not waive the limit in any particular case is not subject to the appeal and hearing procedures of § 199.10.

(iii) *Compliance.* Failure to comply with the balance billing limit shall be considered abuse and/or fraud and grounds of exclusion or suspension of the provider under § 199.9.

(b) *Institutional providers*—(1) *General.* Institutional providers are those providers who bill for services in the name of an organizational entity (such as hospital and skilled nursing facility), rather than in the name of a person. The term ''institutional provider'' does not include professional corporations or associations qualifying as a domestic corporation under § 301.7701–5 of the Internal Revenue Service Regulations nor does it include other corporations that provide principally professional services. Institutional providers may provide medical services and supplies on either an inpatient or outpatient basis.

(i) *Preauthorization.* Preauthorization may be required by the Director, OCHAMPUS for any health care service for which payment is sought under CHAMPUS. (See §§ 199.4 and 199.15 for further information on preauthorization requirements.)

(ii) Billing practices.

(A) Each institutional billing, including those institutions subject to the CHAMPUS DRG-based reimbursement method or a CHAMPUS-determined all-inclusive rate reimbursement method, must be itemized fully and sufficiently descriptive for the CHAMPUS to make a determination of benefits.

(B) Institutional claims subject to the CHAMPUS DRG-based reimbursement method or a CHAMPUS-determined all-inclusive rate reimbursement method, may be submitted only after the beneficiary has been discharged or transferred from the institutional provider's facility or program.

(C) Institutional claims for Residential Treatment Centers and all other institutional providers, except those listed in (B) above, should be submitted to the appropriate CHAMPUS fiscal intermediary at least every 30 days.

(iii) *Medical records.* Institutional providers must provide adequate contemporaneous clinical records to substantiate that specific care was actually furnished, was medically necessary, and appropriate, and to identify the individual(s) who provided the care. The minimum requirements for medical record documentation are set forth by the following:

(A) The cognizant state licensing authority;

(B) The Joint Commission on Accreditation of Healthcare Organizations (JCAHO), or other health care accreditation organizations as may be appropriate;

(C) Standards of practice established by national medical organizations; and

(D) This part.

(2) *Nondiscrimination policy.* Except as provided below, payment may not be made for inpatient or outpatient care provided and billed by an institutional provider found by the Federal Government to practice discrimination in the admission of patients to its services on the basis of race, color, or national origin. Reimbursement may not be made to a beneficiary who pays for care provided by such a facility and submits a claim for reimbursement. In the following circumstances, the Secretary of Defense, or a designee, may authorize payment for care obtained in an ineligible facility:

(i) *Emergency care.* Emergency inpatient or outpatient care.

(ii) *Care rendered before finding of a violation.* Care initiated before a finding of a violation and which continues after such violation when it is determined that a change in the treatment facility would be detrimental to the health of the patient, and the attending physician so certifies.

(iii) *Other facility not available.* Care provided in an ineligible facility because an eligible facility is not available within a reasonable distance.

(3) *Procedures for qualifying as a CHAMPUS-approved institutional provider.* General and special hospitals otherwise meeting the qualifications outlined in paragraphs (b)(4) (i), (ii), and (iii), of this section are not required to request CHAMPUS approval formally.

(i) *JCAH accreditation status.* Each CHAMPUS fiscal intermediary shall keep informed as to the current JCAH accreditation status of all hospitals and skilled nursing facilities in its area; and the provider's status under Medicare, particularly with regard to compliance with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d(1)). The Director, OCHAMPUS, or a designee, shall specifically approve all other authorized institutional providers providing services to CHAMPUS beneficiaries. At the discretion of the Director, OCHAMPUS, any facility that is certified and participating as a provider of services under title XVIII of the Social Security Act (Medicare), may be deemed to meet CHAMPUS requirements. The facility must be providing a type and level of service that is authorized by this part.

(ii) *Required to comply with criteria.* Facilities seeking CHAMPUS approval will be expected to comply with appropriate criteria set forth in paragraph (b)(4) of this section. They also are required to complete and submit CHAMPUS Form 200, ''Required Information, Facility Determination Instructions,'' and provide such additional information as may be requested by OCHAMPUS. An onsite evaluation, either scheduled or unscheduled, may be conducted at the discretion of the Director, OCHAMPUS, or a designee. The final determination regarding approval, reapproval, or disapproval of a facility will be provided in writing to the facility and the appropriate CHAMPUS fiscal intermediary.

(iii) *Notice of peer review rights.* All health care facilities subject to the DRG-based payment system shall provide CHAMPUS beneficiaries, upon admission, with information about peer review including their appeal rights. The notices shall be in a form specified by the Director, OCHAMPUS.

(iv) *Surveying of facilities.* The surveying of newly established institutional providers and the periodic resurveying of all authorized institutional providers is a continuing process conducted by OCHAMPUS.

(v) *Institutions not in compliance with CHAMPUS standards.* If a determination is made that an institution is not in compliance with one or more of the standards applicable to its specific category of institution, CHAMPUS shall take immediate steps to bring about compliance or terminate the approval as an authorized institution in accordance with § 199.9(f)(2).

(vi) *Participation agreements required for some hospitals which are not Medicare-participating.* Notwithstanding the provisions of this paragraph (B)(3), a hospital which is subject to the CHAMPUS DRG-based payment system but which is not a Medicare-particpating hospital must request and sign an agreement with OCHAMPUS. By signing the agreement, the hospital agrees to participate on all CHAMPUS inpatient claims and accept the requirements for a participating provider as contained in paragraph (a)(8) of § 199.6. Failure to sign such an agreement shall disqualify such hospital as a CHAMPUS-approved institutional provider.

(4) *Categories of institutional providers.* The following categories of institutional providers may be reimbursed by CHAMPUS for services provided CHAMPUS beneficiaries subject to any and all definitions, conditions, limitation, and exclusions specified or enumerated in this part.

(i) *Hospitals, acute care, general and special.* An institution that provides inpatient services, that also may provide outpatient services (including clinical and ambulatory surgical services), and that:

(A) Is engaged primarily in providing to inpatients, by or under the supervision of physicians, diagnostic and therapeutic services for the medical or surgical diagnosis and treatment of illness, injury, or bodily malfunction (including maternity).

(B) Maintains clinical records on all inpatients (and outpatients if the facility operates an outpatient department or emergency room).

(C) Has bylaws in effect with respect to its operations and medical staff.

(D) Has a requirement that every patient be under the care of a physician.

(E) Provides 24-hour nursing service rendered or supervised by a registered professional nurse, and has a licensed practical nurse or registered professional nurse on duty at all times.

(F) Has in effect a hospital utilization review plan that is operational and functioning.

(G) In the case of an institution in a state in which state or applicable local law provides for the licensing of hospitals, the hospital:

(*1*) Is licensed pursuant to such law, or

(*2*) Is approved by the agency of such state or locality responsible for licensing hospitals as meeting the standards established for such licensing.

(H) Has in effect an operating plan and budget.

(I) Is accredited by the JCAH or meets such other requirements as the Secretary of Health and Human Services, the Secretary of Transportation, or the Secretary of Defense finds necessary in the interest of the health and safety of patients who are admitted to and furnished services in the institution.

(ii) *Liver transplantation centers.* (A) CHAMPUS shall provide coverage for liver transplantation procedures performed only by experienced transplant surgeons at centers complying with the provisions outlined in paragraph (b)(4)(i) of this section and meeting the following criteria:

(*1*) The center is a tertiary care facility affiliated with an academic health center. The center must have accredited programs in graduate medical education related to the function of liver transplantation such as internal medicine, pediatrics, surgery, and anesthesiology;

(*2*) The center has an active solid organ transplantation program (involving liver transplants as well as other organs);

(*3*) The transplantation center must have at least a 50 percent one-year survival rate for ten cases. At the time CHAMPUS approval is requested, the transplant center must provide evidence that at least ten liver transplants have been performed at the center and that at least 50 percent of those transplanted patients have survived one year following surgery. A 50 percent one-year survival rate for all subsequent liver transplantations must be maintained for continued CHAMPUS approval;

(*4*) The center has allocated sufficient operating room, recovery room, laboratory, and blood bank support and a sufficient number of intensive care and general surgical beds and specialized staff for these areas;

(*5*) The center participates in a donor procurement program and network;

(*6*) The center systematically collects and shares data on its transplant program;

(*7*) The center has an interdisciplinary body to determine the suitability of candidates for transplantation on an equitable basis;

(*8*) The transplantation surgeon is specifically trained for liver grafting and must assemble and train a team to function whenever a donor liver is available;

(*9*) The transplantation center must have on staff board eligible or board certified physicians and other experts in the field of hepatology, pediatrics, infectious disease, nephrology with dialysis capability, pulmonary medicine with respiratory therapy support, pathology, immunology, and anesthesiology to complement a qualified transplantation team;

(*10*) The transplantation center has the assistance of appropriate microbiology, clinical chemistry, and radiology support;

(*11*) The transplantation center has blood bank support to accommodate normal demands and the transplant procedure; and

(*12*) The transplantation center includes the availability of psychiatric and social services support for patients and family.

(B) In order to receive approval as a CHAMPUS authorized liver transplant center, a center must submit a request to the Director, CHAMPUS, or a designee. The CHAMPUS authorized liver transplant center shall agree to the following:

(*1*) Bill for all services and supplies related to the liver transplantation performed by its staff and bill also for services rendered by the donor hospital following declaration of brain death and after all existing legal requirements for excision of the donor organ have been met; and

(*2*) The center shall agree to submit all charges on the basis of fully itemized bills. This means that each service and supply and the charge for each is individually identified.

(iii) *Heart transplantation centers.* (A) CHAMPUS shall provide coverage for heart transplantation procedures performed only by experienced transplant surgeons at centers complying with provisions outlined in paragraph (b)(4)(i) of this section and meeting the following criteria:

(*1*) The center has experts in the fields of cardiology, cardiovascular surgery, anesthesiology, immunology, infectious disease, nursing, social services and organ procurement to complement the transplant team;

(*2*) The center has an active cardiovascular medical and surgical program as evidenced by a minimum of 500 cardiac catheterizations and coronary arteriograms and 250 open heart procedures per year;

(*3*) The center has an anesthesia team that is available at all times;

(*4*) The center has infectious disease services with both the professional skills and the laboratory resources that are needed to discover, identify, and manage a whole range of organisms;

(*5*) The center has a nursing service team trained in the hemodynamic support of the patient and in managing immunosuppressed patients;

(*6*) The center has pathology resources that are available for studying and reporting the pathological responses of transplantation;

(*7*) The center has legal counsel familiar with transplantation laws and regulations;

(*8*) The commitment of the transplant center must be at all levels and broadly evident throughout the facility;

(*9*) Responsible team members must be board certified or board eligible in their respective disciplines;

(*10*) Component teams must be integrated into a comprehensive transplant team with clearly defined leadership and responsibility;

(*11*) The center has adequate social service resources;

(*12*) The transplant center must comply with applicable State transplant laws and regulations;

(*13*) The transplant center must safeguard the rights and privacy of patients;

(*14*) The transplant center must have adequate patient management plans and protocols;

(*15*) The center participates in a donor procurement program and network;

(*16*) The center systematically collects and shares data on its transplant program;

(*17*) The center has an interdisciplinary body to determine the suitability of candidates for transplantation on an equitable basis;

(*18*) The center has extensive blood bank support;

(*19*) The center must have an established heart transplantation program with documented evidence of 12 or more heart transplants in each of the two consecutive preceding 12-month periods prior to application and 12 heart transplants prior to that; and

(*20*) The center must demonstrate actuarial survival rates of 73 percent for one year and 65 percent for two years for patients who have had heart transplants since January 1, 1982, at that facility.

(B) CHAMPUS approval will lapse if either the number of heart transplants falls below 8 in 12 months or if the one-year survival rate falls below 60 percent for a consecutive 24-month period.

(C) CHAMPUS-approval may also be extended for a heart transplant center

that meets other certification or accreditation standards provided the standards are equivalent to or exceed the criteria listed above and have been approved by the Director, OCHAMPUS.

(D) In order to receive approval as a CHAMPUS heart transplant center, a facility must submit a request to the Director, OCHAMPUS, or a designee. The CHAMPUS-authorized heart transplant center shall agree to the following:

(*1*) Bill for all services and supplies related to the heart transplantation performed by its staff and bill also for services rendered by the donor hospital following declaration of brain death;

(*2*) Submit all charges on the basis of fully itemized bills. Each service and supply must be individually identified and the first claim submitted for the heart transplantation must include a copy of the admission history and physical examination; and

(*3*) Report any significant decrease in the experience level or survival rates and loss of key members of the transplant team to the Director, OCHAMPUS.

(iv) *Hospitals, psychiatric.* A psychiatric hospital is an institution which is engaged primarily in providing services to inpatients for the diagnosis and treatment of mental disorders.

(A) There are two major categories of psychiatric hospitals:

(*1*) The private psychiatric hospital category includes both proprietary and the not-for-profit nongovernmental institutions.

(*2*) The second category is those psychiatric hospitals that are controlled, financed, and operated by departments or agencies of the local, state, or Federal Government and always are operated on a not-for-profit basis.

(B) In order for the services of a psychiatric hospital to be covered, the hospital shall comply with the provisions outlined in paragraph (b)(4)(i) of this section. All psychiatric hospitals shall be accredited under the JCAHO Accreditation Manual for Hospitals (AMH) standards in order for their services to be cost-shared under CHAMPUS. In the case of those psychiatric hospitals that are not JCAHO-accredited because they have not been in operation a sufficient period of time to be eligible to request an accreditation survey by the JCAHO, the Director, OCHAMPUS, or a designee, may grant temporary approval if the hospital is certified and participating under Title XVIII of the Social Security Act (Medicare, Part A). This temporary approval expires 12 months from the date on which the psychiatric hospital first becomes eligible to request an accreditation survey by the JCAHO.

(C) Factors to be considered in determining whether CHAMPUS will cost-share care provided in a psychiatric hospital include, but are not limited to, the following considerations:

(*1*) Is the prognosis of the patient such that care provided will lead to resolution or remission of the mental illness to the degree that the patient is of no danger to others, can perform routine daily activities, and can be expected to function reasonably outside the inpatient setting?

(*2*) Can the services being provided be provided more economically in another facility or on an outpatient basis?

(*3*) Are the charges reasonable?

(*4*) Is the care primarily custodial or domiciliary? (Custodial or domiciliary care of the permanently mentally ill or retarded is not a benefit under the Basic Program.)

(D) Although psychiatric hospitals are accredited under the JCAHO AMH standards, their medical records must be maintained in accordance with the JCAHO Consolidated Standard Manual for Child, Adolescent, and Adult Psychiatric, Alcoholism, and Drug Abuse Facilities and Facilities Serving the Mentally Retarded, along with the requirements set forth in § 199.7(b)(3). The hospital is responsible for assuring that patient services and all treatment are accurately documented and completed in a timely manner.

(v) *Hospitals, long-term (tuberculosis, chronic care, or rehabilitation).* To be considered a long-term hospital, an institution for patients that have tuberculosis or chronic diseases must be an institution (or distinct part of an institution) primarily engaged in providing by or under the supervision of a physician appropriate medical or surgical services for the diagnosis and active

treatment of the illness or condition in which the institution specializes.

(A) In order for the service of long-term hospitals to be covered, the hospital must comply with the provisions outlined in paragraph (b)(4)(i) of this section. In addition, in order for services provided by such hospitals to be covered by CHAMPUS, they must be primarily for the treatment of the presenting illness.

(B) Custodial or domiciliary care is not coverable under CHAMPUS, even if rendered in an otherwise authorized long-term hospital.

(C) The controlling factor in determining whether a beneficiary's stay in a long-term hospital is coverable by CHAMPUS is the level of professional care, supervision, and skilled nursing care that the beneficiary requires, in addition to the diagnosis, type of condition, or degree of functional limitations. The type and level of medical services required or rendered is controlling for purposes of extending CHAMPUS benefits; not the type of provider or condition of the beneficiary.

(vi) *Skilled nursing facility*. A skilled nursing facility is an institution (or a distinct part of an institution) that is engaged primarily in providing to inpatients medically necessary skilled nursing care, which is other than a nursing home or intermediate facility, and which:

(A) Has policies that are developed with the advice of (and with provisions for review on a periodic basis by) a group of professionals, including one or more physicians and one or more registered nurses, to govern the skilled nursing care and related medical services it provides.

(B) Has a physician, a registered nurse, or a medical staff responsible for the execution of such policies.

(C) Has a requirement that the medical care of each patient must be under the supervision of a physician, and provides for having a physician available to furnish necessary medical care in case of an emergency.

(D) Maintains clinical records on all patients.

(E) Provides 24-hour skilled nursing service that is sufficient to meet nursing needs in accordance with the policies developed as provided in paragraph (b)(4)(iv)(A) of this section, and has at least one registered professional nurse employed full-time.

(F) Provides appropriate methods and procedures for the dispensing and administering of drugs and biologicals.

(G) Has in effect a utilization review plan that is operational and functioning.

(H) In the case of an institution in a state in which state or applicable local law provides for the licensing of this type facility, the institution:

(*1*) Is licensed pursuant to such law, or

(*2*) Is approved by the agency of such state or locality responsible for licensing such institutions as meeting the standards established for such licensing.

(I) Has in effect an operating plan and budget.

(J) Meets such provisions of the most current edition of the Life Safety Code[8] as are applicable to nursing facilities; except that if the Secretary of Health and Human Services has waived, for such periods, as deemed appropriate, specific provisions of such code which, if rigidly applied, would result in unreasonable hardship upon a nursing facility.

(vii) *Residential treatment centers.* This paragraph (b)(4)(vii) establishes standards and requirements for residential treatment centers (RTCs).

(A) *Organization and administration.*

(*1*) *Definition*. A Residential Treatment Center (RTC) is a facility or a distinct part of a facility that provides to beneficiaries under 21 years of age a medically supervised, interdisciplinary program of mental health treatment. An RTC is appropriate for patients whose predominant symptom presentation is essentially stabilized, although not resolved, and who have persistent dysfunction in major life areas. The extent and pervasiveness of the patient's problems require a protected and highly structured therapeutic environment. Residential treatment is differentiated from:

[8] Compiled and published by the National Fire Protection Association, Batterymarch Park, Quincy, Massachusetts 02269.

(*i*) Acute psychiatric care, which requires medical treatment and 24-hour availability of a full range of diagnostic and therapeutic services to establish and implement an effective plan of care which will reverse life-threatening and/or severely incapacitating symptoms;

(*ii*) Partial hospitalization, which provides a less than 24-hour-per-day, seven-day-per-week treatment program for patients who continue to exhibit psychiatric problems but can function with support in some of the major life areas;

(*iii*) A group home, which is a professionally directed living arrangement with the availability of psychiatric consultation and treatment for patients with significant family dysfunction and/or chronic but stable psychiatric disturbances;

(*iv*) Therapeutic school, which is an educational program supplemented by psychological and psychiatric services;

(*v*) Facilities that treat patients with a primary diagnosis of chemical abuse or dependence; and

(*vi*) Facilities providing care for patients with a primary diagnosis of mental retardation or developmental disability.

(*2*) Eligibility.

(*i*) Every RTC must be certified pursuant to CHAMPUS certification standards. Such standards shall incorporate the basic standards set forth in paragraphs (b)(4)(vii) (A) through (D) of this section, and shall include such additional elaborative criteria and standards as the Director, OCHAMPUS determines are necessary to implement the basic standards.

(*ii*) To be eligible for CHAMPUS certification, the facility is required to be licensed and fully operational for six months (with a minimum average daily census of 30 percent of total bed capacity) and operate in substantial compliance with state and federal regulations.

(*iii*) The facility is currently accredited by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) under the current edition of the Manual for Mental Health, Chemical Dependency, and Mental Retardation/Developmental Disabilities Services which is available from JCAHO, P.O. Box 75751, Chicago, IL 60675.

(*iv*) The facility has a written participation agreement with OCHAMPUS. The RTC is not a CHAMPUS-authorized provider and CHAMPUS benefits are not paid for services provided until the date upon which a participation agreement is signed by the Director, OCHAMPUS.

(*3*) *Governing body*.

(*i*) The RTC shall have a governing body which is responsible for the policies, bylaws, and activities of the facility. If the RTC is owned by a partnership or single owner, the partners or single owner are regarded as the governing body. The facility will provide an up-to-date list of names, addresses, telephone numbers and titles of the members of the governing body.

(*ii*) The governing body ensures appropriate and adequate services for all patients and oversees continuing development and improvement of care. Where business relationships exist between the governing body and facility, appropriate conflict-of-interest policies are in place.

(*iii*) Board members are fully informed about facility services and the governing body conducts annual review of its performance in meeting purposes, responsibilities, goals and objectives.

(*4*) *Chief executive officer.* The chief executive officer, appointed by and subject to the direction of the governing body, shall assume overall administrative responsibility for the operation of the facility according to governing body policies. The chief executive officer shall have five years' administrative experience in the field of mental health. On October 1, 1997, the CEO shall possess a degree in business administration, public health, hospital administration, nursing, social work, or psychology, or meeting similar educational requirements as prescribed by the Director, OCHAMPUS.

(*5*) *Clinical Director.* The clinical director, appointed by the governing body, shall be a psychiatrist or doctoral level psychologist who meets applicable CHAMPUS requirements for individual professional providers and is licensed to practice in the state where

the residential treatment center is located. The clinical director shall possess requisite education and experience, credentials applicable under state practice and licensing laws appropriate to the professional discipline, and a minimum of five years' clinical experience in the treatment of children and adolescents. The clinical director shall be responsible for planning, development, implementation, and monitoring of all clinical activities.

(*6*) *Medical director.* The medical director, appointed by the governing body, shall be licensed to practice medicine in the state where the residential treatment center is located and shall possess requisite education and experience, including graduation from an accredited school of medicine or osteopathy, an approved residency in psychiatry and a minimum of five years clinical experience in the treatment of children and adolescents. The Medical Director shall be responsible for the planning, development, implementation, and monitoring of all activities relating to medical treatment of patients. If qualified, the Medical Director may also serve as Clinical Director.

(*7*) *Medical or professional staff organization.* The governing body shall establish a medical or professional staff organization to assure effective implementation of clinical privileging, professional conduct rules, and other activities directly affecting patient care.

(*8*) *Personnel policies and records.* The RTC shall maintain written personnel policies, updated job descriptions and personnel records to assure the selection of qualified personnel and successful job performance of those personnel.

(*9*) *Staff development.* The facility shall provide appropriate training and development programs for administrative, professional support, and direct care staff.

(*10*) *Fiscal accountability.* The RTC shall assure fiscal accountability to applicable government authorities and patients.

(*11*) *Designated teaching facilities.* Students, residents, interns or fellows providing direct clinical care are under the supervision of a qualified staff member approved by an accredited university. The teaching program is approved by the Director, OCHAMPUS.

(*12*) *Emergency reports and records.* The facility notifies OCHAMPUS of any serious occurrence involving CHAMPUS beneficiaries.

(B) *Treatment services.*

(*1*) Staff composition.

(*i*) The RTC shall follow written plans which assure that medical and clinical patient needs will be appropriately addressed 24 hours a day, seven days a week by a sufficient number of fully qualified (including license, registration or certification requirements, educational attainment, and professional experience) health care professionals and support staff in the respective disciplines. Clinicians providing individual, group, and family therapy meet CHAMPUS requirements as qualified mental health providers and operate within the scope of their licenses. The ultimate authority for planning, development, implementation, and monitoring of all clinical activities is vested in a psychiatrist or doctoral level psychologist. The management of medical care is vested in a physician.

(*ii*) The RTC shall ensure adequate coverage by fully qualified staff during all hours of operation, including physician availability, other professional staff coverage, and support staff in the respective disciplines.

(*2*) *Staff qualifications.* The RTC will have a sufficient number of qualified mental health providers, administrative, and support staff to address patients' clinical needs and to coordinate the services provided. RTCs which employ individuals with master's or doctoral level degrees in a mental health discipline who do not meet the licensure, certification and experience requirements for a qualified mental health provider but are actively working toward licensure or certification, may provide services within the all-inclusive per diem rate, provided the individual works under the clinical supervision of a fully qualified mental health provider employed by the RTC. All other program services shall be provided by trained, licensed staff.

(*3*) *Patient rights.*

(*i*) The RTC shall provide adequate protection for all patient rights, including rights provided by law, privacy, personnel rights, safety, confidentiality, informed consent, grievances, and personal dignity.

(*ii*) The facility has a written policy regarding patient abuse and neglect.

(*iii*) Facility marketing and advertising meets professional standards.

(*4*) *Behavioral management.* The RTC shall adhere to a comprehensive, written plan of behavioral management, developed by the clinical director and the medical or professional staff and approved by the governing body, including strictly limited procedures to assure that the restraint or seclusion are used only in extraordinary circumstances, are carefully monitored, and are fully documented. Only trained and clinically privileged RNs or qualified mental health professionals may be responsible for the implementation of seclusion and restraint procedures in an emergency situation.

(*5*) *Admission process.* The RTC shall maintain written policies and procedures to ensure that, prior to an admission, a determination is made, and approved pursuant to CHAMPUS preauthorization requirements, that the admission is medically and/or psychologically necessary and the program is appropriate to meet the patient's needs. Medical and/or psychological necessity determinations shall be rendered by qualified mental health professionals who meet CHAMPUS requirements for individual professional providers and who are permitted by law and by the facility to refer patients for admission.

(*6*) *Assessments.* The professional staff of the RTC shall complete a current multidisciplinary assessment which includes, but is not limited to physical, psychological, developmental, family, educational, social, spiritual and skills assessment of each patient admitted. Unless otherwise specified, all required clinical assessments are completed prior to development of the multidisciplinary treatment plan.

(*7*) *Clinical formulation.* A qualified mental health professional of the RTC will complete a clinical formulation on all patients. The clinical formulation will be reviewed and approved by the responsible individual professional provider and will incorporate significant findings from each of the multidisciplinary assessments. It will provide the basis for development of an interdisciplinary treatment plan.

(*8*) *Treatment planning.* A qualified mental health professional shall be responsible for the development, supervision, implementation, and assessment of a written, individualized, interdisciplinary plan of treatment, which shall be completed within 10 days of admission and shall include individual, measurable, and observable goals for incremental progress and discharge. A preliminary treatment plan is completed within 24 hours of admission and includes at least an admission note and orders written by the admitting mental health professional. The master treatment plan is reviewed and revised at least every 30 days, or when major changes occur in treatment.

(*9*) *Discharge and transition planning.* The RTC shall maintain a transition planning process to address adequately the anticipated needs of the patient prior to the time of discharge. The planning involves determining necessary modifications in the treatment plan, facilitating the termination of treatment, and identifying resources to maintain therapeutic stability following discharge.

(*10*) *Clinical documentation.* Clinical records shall be maintained on each patient to plan care and treatment and provide ongoing evaluation of the patient's progress. All care is documented and each clinical record contains at least the following: demographic data, consent forms, pertinent legal documents, all treatment plans and patient assessments, consultation and laboratory reports, physician orders, progress notes, and a discharge summary. All documentation will adhere to applicable provisions of the JCAHO and requirements set forth in § 199.7(b)(3). An appropriately qualified records administrator or technician will supervise and maintain the quality of the records. These requirements are in addition to other records requirements of this part, and documentation requirements of the Joint Commission on Accreditation of Healthcare Organizations.

(*11*) *Progress notes.* RTC's shall document the course of treatment for patients and families using progress notes which provide information to review, analyze, and modify the treatment plans. Progress notes are legible, contemporaneous, sequential, signed and dated and adhere to applicable provisions of the Manual of Mental Health, Chemical Dependency, and Mental Retardation/Development Disabilities Services and requirements set forth in § 199.7(b)(3).

(*12*) *Therapeutic services.*

(*i*) Individual, group, and family psychotherapy are provided to all patients, consistent with each patient's treatment plan, by qualified mental health providers.

(*ii*) A range of therapeutic activities, directed and staffed by qualified personnel, are offered to help patients meet the goals of the treatment plan.

(*iii*) Therapeutic educational services are provided or arranged that are appropriate to the patients educational and therapeutic needs.

(*13*) *Ancillary services.* A full range of ancillary services is provided. Emergency services include policies and procedures for handling emergencies with qualified personnel and written agreements with each facility providing the service. Other ancillary services include physical health, pharmacy and dietary services.

(C) *Standards for physical plant and environment.*

(*1*) *Physical environment.* The buildings and grounds of the RTC shall be maintained so as to avoid health and safety hazards, be supportive of the services provided to patients, and promote patient comfort, dignity, privacy, personal hygiene, and personal safety.

(*2*) *Physical plant safety.* The RTC shall be of permanent construction and maintained in a manner that protects the lives and ensures the physical safety of patients, staff, and visitors, including conformity with all applicable building, fire, health, and safety codes.

(*3*) *Disaster planning.* The RTC shall maintain and rehearse written plan for taking care of casualities and handling other consequences arising from internal and external disasters.

(D) *Standards for evaluation system.*

(*1*) *Quality assessment and improvement.* The RTC shall develop and implement a comprehensive quality assurance and quality improvement program that monitors the quality, efficiency, appropriateness, and effectiveness of the care, treatments, and services it provides for patients and their families, primarily utilizing explicit clinical indicators to evaluate all functions of the RTC and contribute to an ongoing process of program improvement. The clinical director is responsible for developing and implementing quality assessment and improvement activities throughout the facility.

(*2*) *Utilization review.* The RTC shall implement a utilization review process, pursuant to a written plan approved by the professional staff, the administration, and the governing body, that assesses the appropriateness of admission, continued stay, and timeliness of discharge as part of an effort to provide quality patient care in a cost-effective manner. Findings of the utilization review process are used as a basis for revising the plan of operation, including a review of staff qualifications and staff composition.

(*3*) *Patient records review.* The RTC shall implement a process, including monthly reviews of a representative sample of patient records, to determine the completeness and accuracy of the patient records and the timeliness and pertinence of record entries, particularly with regard to regular recording of progress/non-progress in treatment.

(*4*) *Drug utilization review.* The RTC shall implement a comprehensive process for the monitoring and evaluating of the prophylactic, therapeutic, and empiric use of drugs to assure that medications are provided appropriately, safely, and effectively.

(*5*) *Risk management.* The RTC shall implement a comprehensive risk management program, fully coordinated with other aspects of the quality assurance and quality improvement program, to prevent and control risks to patients and staff and costs associated with clinical aspects of patient care and safety.

(*6*) *Infection control.* The RTC shall implement a comprehensive system for the surveillance, prevention, control,

and reporting of infections acquired or brought into the facility.

(*7*) *Safety*. The RTC shall implement an effective program to assure a safe environment for patients, staff, and visitors, including an incident report system, a continuous safety surveillance system, and an active multidisciplinary safety committee.

(*8*) *Facility evaluation*. The RTC annually evaluates accomplishment of the goals and objectives of each clinical program and service of the RTC and reports findings and recommendations to the governing body.

(E) *Participation agreement requirements.* In addition to other requirements set forth in paragraph (b)(4)(vii), of this section in order for the services of an RTC to be authorized, the RTC shall have entered into a Participation Agreement with OCHAMPUS. The period of a participation agreement shall be specified in the agreement, and will generally be for not more than five years. Participation agreements entered into prior April 6, 1995 must be renewed not later than October 1, 1995. In addition to review of a facility's application and supporting documentation, an on-site inspection by OCHAMPUS authorized personnel may be required prior to signing a Participation Agreement. Retroactive approval is not given. In addition, the Participation Agreement shall include provisions that the RTC shall, at a minimum:

(*1*) Render residential treatment center impatient services to eligible CHAMPUS beneficiaries in need of such services, in accordance with the participation agreement and CHAMPUS regulation;

(*2*) Accept payment for its services based upon the methodology provided in § 199.14(f) or such other method as determined by the Director, OCHAMPUS;

(*3*) Accept the CHAMPUS all-inclusive per diem rate as payment in full and collect from the CHAMPUS beneficiary or the family of the CHAMPUS beneficiary only those amounts that represent the beneficiary's liability, as defined in § 199.4, and charges for services and supplies that are not a benefit of CHAMPUS;

(*4*) Make all reasonable efforts acceptable to the Director, OCHAMPUS, to collect those amounts, which represents the beneficiary's liability, as defined in § 199.4;

(*5*) Comply with the provisions of § 199.8, and submit claims first to all health insurance coverage to which the beneficiary is entitled that is primary to CHAMPUS;

(*6*) Submit claims for services provided to CHAMPUS beneficiaries at least 30 days (except to the extent a delay is necessitated by efforts to first collect from other health insurance). If claims are not submitted at least every 30 days, the RTC agrees not to bill the beneficiary or the beneficiary's family for any amounts disallowed by CHAMPUS;

(*7*) Certify that:

(*i*) It is and will remain in compliance with the provisions of paragraph (b)(4)(vii) of this section establishing standards for Residential Treatment Centers;

(*ii*) It has conducted a self assessment of the facility's compliance with the CHAMPUS Standards for Residential Treatment Centers Serving Children and Adolescents with Mental Disorders, as issued by the Director, OCHAMPUS and notified the Director, OCHAMPUS of any matter regarding which the facility is not in compliance with such standards; and

(*iii*) It will maintain compliance with the CHAMPUS Standards for Residential Treatment Centers Serving Children and Adolescents with Mental Disorders, as issued by the Director, OCHAMPUS, except for any such standards regarding which the facility notifies the Director, OCHAMPUS that it is not in compliance.

(*8*) Designate an individual who will act as liaison for CHAMPUS inquiries. The RTC shall inform OCHAMPUS in writing of the designated individual;

(*9*) Furnish OCHAMPUS, as requested by OCHAMPUS, with cost data certified by an independent accounting firm or other agency as authorized by the Director, OCHAMPUS;

(*10*) Comply with all requirements of this section applicable to institutional providers generally concerning

preauthorization, concurrent care review, claims processing, beneficiary liability, double coverage, utilization and quality review and other matters;

(*11*) Grant the Director, OCHAMPUS, or designee, the right to conduct quality assurance audits or accounting audits with full access to patients and records (including records relating to patients who are not CHAMPUS beneficiaries) to determine the quality and cost-effectiveness of care rendered. The audits may be conducted on a scheduled or unscheduled (unannounced) basis. This right to audit/review includes, but is not limited to:

(*i*) Examination of fiscal and all other records of the RTC which would confirm compliance with the participation agreement and designation as an authorized CHAMPUS RTC provider;

(*ii*) Conducting such audits of RTC records including clinical, financial, and census records, as may be necessary to determine the nature of the services being provided, and the basis for charges and claims against the United States for services provided CHAMPUS beneficiaries;

(*iii*) Examining reports of evaluations and inspections conducted by federal, state and local government, and private agencies and organizations;

(*iv*) Conducting on-site inspections of the facilities of the RTC and interviewing employees, members of the staff, contractors, board members, volunteers, and patients, as required;

(*v*) Audits conducted by the United States General Accounting Office.

(F) *Other requirements applicable to RTCs.*

(*1*) Even though an RTC may qualify as a CHAMPUS-authorized provider and may have entered into a participation agreement with CHAMPUS, payment by CHAMPUS for particular services provided is contingent upon the RTC also meeting all conditions set forth in § 199.4 especially all requirements of paragraph (b)(4) of that section.

(*2*) The RTC shall provide inpatient services to CHAMPUS beneficiaries in the same manner it provides inpatient services to all other patients. The RTC may not discriminate against CHAMPUS beneficiaries in any manner, including admission practices, placement in special or separate wings or rooms, or provisions of special or limited treatment.

(*3*) The RTC shall assure that all certifications and information provided to the Director, OCHAMPUS incident to the process of obtaining and retaining authorized provider status is accurate and that it has no material errors or omissions. In the case of any misrepresentations, whether by inaccurate information being provided or material facts withheld, authorized status will be denied or terminated, and the RTC will be ineligible for consideration for authorized provider status for a two year period.

(viii) *Christian Science sanatoriums.* The services obtained in Christian Science sanatoriums are covered by CHAMPUS as inpatient care. To qualify for coverage, the sanatorium either must be operated by, or be listed and certified by the First Church of Christ, Scientist.

(ix) *Infirmaries.* Infirmaries are facilities operated by student health departments of colleges and universities to provide inpatient or outpatient care to enrolled students. Charges for care provided by such facilities will not be cost-shared by CHAMPUS if the student would not be charged in the absence of CHAMPUS, or if student is covered by a mandatory student health insurance plan, in which enrollment is required as a part of the student's school registration and the charges by the college or university include a premium for the student health insurance coverage. CHAMPUS will cost-share only if enrollment in the student health program or health insurance plan is voluntary.

NOTE: An infirmary in a boarding school also may qualify under this provision, subject to review and approval by the Director, OCHAMPUS or a designee.

(x) *Other special institution providers.* (A) *General.* (*1*) Care provided by certain special institutional providers (on either an inpatient or outpatient basis), may be cost-shared by CHAMPUS under specified circumstances and only if the provider is specifically identified in paragraph (b)(4)(x) of this section.

(*i*) The course of treatment is prescribed by a doctor of medicine or osteopathy.

(*ii*) The patient is under the supervision of a physician during the entire course of the inpatient admission or the outpatient treatment.

(*iii*) The type and level of care and service rendered by the institution are otherwise authorized by this part.

(*iv*) The facility meets all licensing or other certification requirements that are extant in the jurisdiction in which the facility is located geographically.

(*v*) Is other than a nursing home, intermediate care facility, home for the aged, halfway house, or other similar institution.

(*vi*) Is accredited by the JCAH or other CHAMPUS-approved accreditation organization, if an appropriate accreditation program for the given type of facility is available. As future accreditation programs are developed to cover emerging specialized treatment programs, such accreditation will be a prerequisite to coverage by CHAMPUS for services provided by such facilities.

(*2*) To ensure that CHAMPUS beneficiaries are provided quality care at a reasonable cost when treated by a special institutional provider, the Director, OCHAMPUS may:

(*i*) Require prior approval of all admissions to special institutional providers.

(*ii*) Set appropriate standards for special institutional providers in addition to or in the absence of JCAHO accreditation.

(*iii*) Monitor facility operations and treatment programs on a continuing basis and conduct onsite inspections on a scheduled and unscheduled basis.

(*iv*) Negotiate agreements of participation.

(*v*) Terminate approval of a case when it is ascertained that a departure from the facts upon which the admission was based originally has occurred.

(*vi*) Declare a special institutional provider not eligible for CHAMPUS payment if that facility has been found to have engaged in fraudulent or deceptive practices.

(*3*) In general, the following disclaimers apply to treatment by special institutional providers:

(*i*) Just because one period or episode of treatment by a facility has been covered by CHAMPUS may not be construed to mean that later episodes of care by the same or similar facility will be covered automatically.

(*ii*) The fact that one case has been authorized for treatment by a specific facility or similar type of facility may not be construed to mean that similar cases or later periods of treatment will be extended CHAMPUS benefits automatically.

(B) *Types of providers.* The following is a list of facilities that have been designated specifically as special institutional providers.

(*1*) *Free-standing ambulatory surgical centers.* Care provided by freestanding ambulatory surgical centers may be cost-shared by CHAMPUS under the following circumstances:

(*i*) The treatment is prescribed and supervised by a physician.

(*ii*) The type and level of care and services rendered by the center are otherwise authorized by this part.

(*iii*) The center meets all licensing or other certification requirements of the jurisdiction in which the facility is located.

(*iv*) The center is accredited by the JCAH, the Accreditation Association for Ambulatory Health Care, Inc. (AAAHC), or such other standards as authorized by the Director, OCHAMPUS.

(*v*) A childbirth procedure provided by a CHAMPUS-approved free-standing ambulatory surgical center shall not be cost-shared by the CHAMPUS unless the surgical center is also a CHAMPUS-approved birthing center institutional provider as established by the birthing center provider certification requirement of this Regulation.

(*2*)[Reserved]

(xi) *Birthing centers.* A birthing center is a freestanding or institution-affiliated outpatient maternity care program which principally provides a planned course of outpatient prenatal care and outpatient childbirth service limited to low-risk pregnancies; excludes care for high-risk pregnancies; limits childbirth to the use of natural childbirth procedures; and provides immediate newborn care.

(A) *Certification requirements.* A birthing center which meets the following criteria may be designated as an authorized CHAMPUS institutional provider:

(*1*) The predominant type of service and level of care rendered by the center is otherwise authorized by this part.

(*2*) The center is licensed to operate as a birthing center where such license is available, or is specifically licensed as a type of ambulatory health care facility where birthing center specific license is not available, and meets all applicable licensing or certification requirements that are extant in the state, county, municipality, or other political jurisdiction in which the center is located.

(*3*) The center is accredited by a nationally recognized accreditation organization whose standards and procedures have been determined to be acceptable by the Director, OCHAMPUS, or a designee.

(*4*) The center complies with the CHAMPUS birthing center standards set forth in this part.

(*5*) The center has entered into a participation agreement with OCHAMPUS in which the center agrees, in part, to:

(*i*) Participate in CHAMPUS and accept payment for maternity services based upon the reimbursement methodology for birthing centers;

(*ii*) Collect from the CHAMPUS beneficiary only those amounts that represent the beneficiary's liability under the participation agreement and the reimbursement methodology for birthing centers, and the amounts for services and supplies that are not a benefit of the CHAMPUS;

(*iii*) Permit access by the Director, OCHAMPUS, or a designee, to the clinical record of any CHAMPUS beneficiary, to the financial and organizational records of the center, and to reports of evaluations and inspections conducted by state or private agencies or organizations;

(*iv*) Submit claims first to all health benefit and insurance plans primary to the CHAMPUS to which the beneficiary is entitled and to comply with the double coverage provisions of this part;

(*v*) Notify CHAMPUS in writing within 7 days of the emergency transport of any CHAMPUS beneficiary from the center to an acute care hospital or of the death of any CHAMPUS beneficiary in the center.

(*6*) A birthing center shall not be a CHAMPUS-authorized institutional provider and CHAMPUS benefits shall not be paid for any service provided by a birthing center before the date the participation agreement is signed by the Director, OCHAMPUS, or a designee.

(B) *CHAMPUS birthing center standards.* (*1*) *Environment:* The center has a safe and sanitary environment, properly constructed, equipped, and maintained to protect health and safety and meets the applicable provisions of the ''Life Safety Code'' of the National Fire Protection Association.

(*2*) *Policies and procedures:* The center has written administrative, fiscal, personnel and clinical policies and procedures which collectively promote the provision of high-quality maternity care and childbirth services in an orderly, effective, and safe physical and organizational environment.

(*3*) *Informed consent:* Each CHAMPUS beneficiary admitted to the center will be informed in writing at the time of admission of the nature and scope of the center's program and of the possible risks associated with maternity care and childbirth in the center.

(*4*) *Beneficiary care:* Each woman admitted will be cared for by or under the direct supervision of a specific physician or a specific certified nurse-midwife who is otherwise eligible as a CHAMPUS individual professional provider.

(*5*) *Medical direction:* The center has written memoranda of understanding (MOU) for routine consultation and emergency care with an obstetrician-gynecologist who is certified or is eligible for certification by the American Board of Obstetrics and Gynecology or the American Osteopathic Board of Obstetrics and Gynecology and with a pediatrician who is certified or eligible for certification by the American Board of Pediatrics or by the American Osteopathic Board of Pediatrics, each of whom have admitting privileges to at least one backup hospital. In lieu of a required MOU, the center may employ a physician with the required

qualifications. Each MOU must be renewed annually.

(*6*) *Admission and emergency care criteria and procedures.* The center has written clinical criteria and administrative procedures, which are reviewed and approved annually by a physician related to the center as required by paragraph (b)(4)(xi)(B)(*5*) above, for the exclusion of a woman with a high-risk pregnancy from center care and for management of maternal and neonatal emergencies.

(*7*) *Emergency treatment.* The center has a written memorandum of understanding (MOU) with at least one backup hospital which documents that the hospital will accept and treat any woman or newborn transferred from the center who is in need of emergency obstetrical or neonatal medical care. In lieu of this MOU with a hospital, a birthing center may have an MOU with a physician, who otherwise meets the requirements as a CHAMPUS individual professional provider, and who has admitting privileges to a backup hospital capable of providing care for critical maternal and neonatal patients as demonstrated by a letter from that hospital certifying the scope and expected duration of the admitting privileges granted by the hospital to the physician. The MOU must be reviewed annually.

(*8*) *Emergency medical transportation.* The center has a written memorandum of understanding (MOU) with at least one ambulance service which documents that the ambulance service is routinely staffed by qualified personnel who are capable of the management of critical maternal and neonatal patients during transport and which specifies the estimated transport time to each backup hospital with which the center has arranged for emergency treatment as required in paragraph (b)(4)(xi)(B)(*7*) above. Each MOU must be renewed annually.

(*9*) *Professional staff.* The center's professional staff is legally and professionally qualified for the performance of their professional responsibilities.

(*10*) *Medical records.* The center maintains full and complete written documentation of the services rendered to each woman admitted and each newborn delivered. A copy of the informed consent document required by paragraph (b)(4)(xi)(B)(*3*), above, which contains the original signature of the CHAMPUS beneficiary, signed and dated at the time of admission, must be maintained in the medical record of each CHAMPUS beneficiary admitted.

(*11*) *Quality assurance.* The center has an organized program for quality assurance which includes, but is not limited to, written procedures for regularly scheduled evaluation of each type of service provided, of each mother or newborn transferred to a hospital, and of each death within the facility.

(*12*) *Governance and administration.* The center has a govening body legally responsible for overall operation and maintenance of the center and a full-time employee who has authority and responsibility for the day-to-day operation of the center.

(xii) *Psychiatric partial hospitalization programs.* Paragraph (b)(4)(xii) of this section establishes standards and requirements for psychiatric partial hospitalization programs.

(A) *Organization and administration.*

(*1*) *Definition.* Partial hospitalization is defined as a time-limited, ambulatory, active treatment program that offers therapeutically intensive, coordinated, and structured clinical services within a stable therapeutic milieu. Partial hospitalization programs serve patients who exhibit psychiatric symptoms, disturbances of conduct, and decompensating conditions affecting mental health.

(*2*) *Eligibility.*

(*i*) Every psychiatric partial hospitalization program must be certified pursuant to CHAMPUS certification standards. Such standards shall incorporate the basic standards set forth in paragraphs (b)(4)(xii) (A) through (D) of this section, and shall include such additional elaborative criteria and standards as the Director, OCHAMPUS determines are necessary to implement the basic standards. Each psychiatric partial hospitalization program must be either a distinct part of an otherwise authorized institutional provider or a freestanding program.

(*ii*) To be eligible for CHAMPUS certification, the facility is required to be

licensed and fully operational for a period of at least six months (with a minimum patient census of at least 30 percent of bed capacity) and operate in substantial compliance with state and federal regulations.

(*iii*) The facility is currently accredited by the Joint Commission on Accreditation of Healthcare Organizations under the current edition of the Accreditation Manual for Mental Health, Chemical Dependency, and Mental Retardation/Developmental Disabilities Services.

(*iv*) The facility has a written participation agreement with OCHAMPUS. On October 1, 1995, the PHP is not a CHAMPUS-authorized provider and CHAMPUS benefits are not paid for services provided until the date upon which a participation agreement is signed by the Director, OCHAMPUS. Partial hospitalization is capable of providing an interdisciplinary program of medical and therapeutic services a minimum of three hours per day, five days per week, and may include full- or half-day, evening, and weekend treatment programs.

(*3*) *Governing body*.

(*i*) The PHP shall have a governing body which is responsible for the policies, bylaws, and activities of the facilities. If the PHP is owned by a partnership or single owner, the partners or single owner are regarded as the governing body. The facility will provide an up-to-date list of names, addresses, telephone numbers, and titles of the members of the governing body.

(*ii*) The governing body ensures appropriate and adequate services for all patients and oversees continuing development and improvement of care. Where business relationships exist between the governing body and facility, appropriate conflict-of-interest policies are in place.

(*iii*) Board members are fully informed about facility services and the governing body conducts annual review of its performance in meeting purposes, responsibilities, goals and objectives.

(*4*) *Chief executive officer.* The Chief Executive Officer, appointed by and subject to the direction of the governing body, shall assume overall administrative responsibility for the operation of the facility according to governing body policies. The chief executive officer shall have five years' administrative experience in the field of mental health. On October 1, 1997, the CEO shall possess a degree in business administration, public health, hospital administration, nursing, social work, or psychology, or meet similar educational requirements as prescribed by the Director, OCHAMPUS.

(*5*) *Clinical Director.* The clinical director, appointed by the governing body, shall be a psychiatrist or doctoral level psychologist who meets applicable CHAMPUS requirements for individual professional providers and is licensed to practice in the state where the PHP is located. The clinical director shall possess requisite education and experience, credentials applicable under state practice and licensing laws appropriate to the professional discipline, and a minimum of five years' clinical experience in the treatment of mental disorders specific to the ages and disabilities of the patients served. The clinical director shall be responsible for planning, development, implementation, and monitoring of all clinical activities.

(*6*) *Medical director.* The medical director, appointed by the governing body, shall be licensed to practice medicine in the state where the residential treatment center is located and shall possess requisite education and experience, including graduation from an accredited school of medicine or osteopathy, an approved residency in psychiatry and a minimum of five years clinical experience in the treatment of mental disorders specific to the ages and disabilities of the patients served. The Medical Director shall be responsible for the planning, development, implementation, and monitoring of all activities relating to medical treatment of patients. If qualified, the Medical Director may also serve as Clinical Director.

(*7*) *Medical or professional staff organization.* The governing body shall establish a medical or professional staff organization to assure effective implementation of clinical privileging, professional conduct rules, and other activities directly affecting patient care.

(*8*) *Personnel policies and records.* The PHP shall maintain written personnel

policies, updated job descriptions, personnel records to assure the selection of qualified personnel and successful job performance of those personnel.

(*9*) *Staff development.* The facility shall provide appropriate training and development programs for administrative, professional support, and direct care staff.

(*10*) *Fiscal accountability*. The PHP shall assure fiscal accountability to applicable government authorities and patients.

(*11*) *Designated teaching facilities.* Students, residents, interns, or fellows providing direct clinical care are under the supervision of a qualified staff member approved by an accredited university. The teaching program is approved by the Director, OCHAMPUS.

(*12*) *Emergency reports and records.* The facility notifies OCHAMPUS of any serious occurrence involving CHAMPUS beneficiaries.

(B) *Treatment services.*

(*1*) *Staff composition.*

(*i*) The PHP shall ensure that patient care needs will be appropriately addressed during all hours of operation by a sufficient number of fully qualified (including license, registration or certification requirements, educational attainment, and professional experience) health care professionals. Clinicians providing individual, group, and family therapy meet CHAMPUS requirements as qualified mental health providers, and operate within the scope of their licenses. The ultimate authority for managing care is vested in a psychiatrist or licensed doctor level psychologist. The management of medical care is vested in a physician.

(*ii*) The PHP shall establish and follow written plans to assure adequate staff coverage during all hours of operation, including physician availability, other professional staff coverage, and support staff in the respective disciplines.

(*2*) *Staff qualifications.* The PHP will have a sufficient number of qualified mental health providers, administrative, and support staff to address patients' clinical needs and to coordinate the services provided. PHPs which employ individuals with master's or doctoral level degrees in a mental health discipline who do not meet the licensure, certification and experience requirements for a qualified mental health provider but are actively working toward licensure or certification, may provide services within the all-inclusive per diem rate, provided the individual works under the clinical supervision of a fully qualified mental health provider employed by the PHP. All other program services shall be provided by trained, licensed staff.

(*3*) *Patient rights.*

(*i*) The PHP shall provide adequate protection for all patient rights, including rights provided by law, privacy, personal rights, safety, confidentiality, informed consent, grievances, and personal dignity.

(*ii*) The facility has a written policy regarding patient abuse and neglect.

(*iii*) Facility marketing and advertising meets professional standards.

(*4*) *Behavioral management.* The PHP shall adhere to a comprehensive, written plan of behavior management, developed by the clinical director and the medical or professional staff and approved by the governing body, including strictly limited procedures to assure that restraint or seclusion are used only in extraordinary circumstances, are carefully monitored, and are fully documented. Only trained and clinically privileged RNs or qualified mental health professionals may be responsible for implementation of seclusion and restraint procedures in an emergency situation.

(*5*) *Admission process.* The PHP shall maintain written policies and procedures to ensure that prior to an admission, a determination is made, and approved pursuant to CHAMPUS preauthorization requirements, that the admission is medically and/or psychologically necessary and the program is appropriate to meet the patient's needs. Medical and/or psychological necessity determinations shall be rendered by qualified mental health professionals who meet CHAMPUS requirements for individual professional providers and who are permitted by law and by the facility to refer patients for admission.

(*6*) *Assessments.* The professional staff of the PHP shall complete a multidisciplinary assessment which includes, but

is not limited to physical health, psychological health, physiological, developmental, family, educational, spiritual, and skills assessment of each patient admitted. Unless otherwise specified, all required clinical assessment are completed prior to development of the interdisciplinary treatment plan.

(*7*) *Clinical formulation.* A qualified mental health provider of the PHP will complete a clinical formulation on all patients. The clinical formulation will be reviewed and approved by the responsible individual professional provider and will incorporate significant findings from each of the multidisciplinary assessments. It will provide the basis for development of an interdisciplinary treatment plan.

(*8*) *Treatment planning.* A qualified mental health professional with admitting privileges shall be responsible for the development, supervision, implementation, and assessment of a written, individualized, interdisciplinary plan of treatment, which shall be completed by the fifth day following admission to a full-day PHP, or by the seventh day following admission to a half-day PHP, and shall include measurable and observable goals for incremental progress and discharge. The treatment plan shall undergo review at least every two weeks, or when major changes occur in treatment.

(*9*) *Discharge and transition planning.* The PHP shall develop an individualized transition plan which addresses anticipated needs of the patient at discharge. The transition plan involves determining necessary modifications in the treatment plan, facilitating the termination of treatment, and identifying resources for maintaining therapeutic stability following discharge.

(*10*) *Clinical documentation.* Clinical records shall be maintained on each patient to plan care and treatment and provide ongoing evaluation of the patient's progress. All care is documented and each clinical record contains at least the following: demographic data, consent forms, pertinent legal documents, all treatment plans and patient assessments, consultation and laboratory reports, physician orders, progress notes, and a discharge summary. All documentation will adhere to applicable provisions of the JCAHO and requirements set forth in § 199.7(b)(3). An appropriately qualified records administrator or technician will supervise and maintain the quality of the records. These requirements are in addition to other records requirements of this part, and documentation requirements of the Joint Commission on Accreditation of Health Care Organization.

(*11*) *Progress notes.* PHPs shall document the course of treatment for patients and families using progress notes which provide information to review, analyze, and modify the treatment plans. Progress notes are legible, contemporaneous, sequential, signed and dated and adhere to applicable provisions of the Manual for Mental Health, Chemical Dependency, and Mental Retardation/Developmental Disabilities Services and requirements set forth in section 199.7(b)(3).

(*12*) *Therapeutic services.*

(*i*) Individual, group, and family therapy are provided to all patients, consistent with each patient's treatment plan by qualified mental health providers.

(*ii*) A range of therapeutic activities, directed and staffed by qualified personnel, are offered to help patients meet the goals of the treatment plan.

(*iii*) Educational services are provided or arranged that are appropriate to the patient's needs.

(*13*) *Ancillary services.* A full range of ancillary services are provided. Emergency services include policies and procedures for handling emergencies with qualified personnel and written agreements with each facility providing these services. Other ancillary services include physical health, pharmacy and dietary services.

(C) *Standards for physical plant and environment.*

(*1*) *Physical environment.* The buildings and grounds of the PHP shall be maintained so as to avoid health and safety hazards, be supportive of the services provided to patients, and promote patient comfort, dignity, privacy, personal hygiene, and personal safety.

(*2*) *Physical plant safety.* The PHP shall be of permanent construction and maintained in a manner that protects

the lives and ensures the physical safety of patients, staff, and visitors, including conformity with all applicable building, fire, health, and safety codes.

(*3*) *Disaster planning.* The PHP shall maintain and rehearse written plans for taking care of casualities and handling other consequences arising from internal and external disasters.

(D) *Standards for evaluation system.*

(*1*) *Quality assessment and improvement.* The PHP shall develop and implement a comprehensive quality assurance and quality improvement program that monitors the quality, efficiency, appropriateness, and effectiveness of care, treatments, and services the PHP provides for patients and their families. Explicit clinical indicators shall be used to be used to evaluate all functions of the PHP and contribute to an ongoing process of program improvement. The clinical director is responsible for developing and implementing quality assessment and improvement activities throughout the facility.

(*2*) *Utilization review.* The PHP shall implement a utilization review process, pursuant to a written plan approved by the professional staff, the administration and the governing body, that assesses distribution of services, clinical necessity of treatment, appropriateness of admission, continued stay, and timeliness of discharge, as part of an overall effort to provide quality patient care in a cost-effective manner. Findings of the utilization review process are used as a basis for revising the plan of operation, including a review of staff qualifications and staff composition.

(*3*) *Patient records.* The PHP shall implement a process, including regular monthly reviews of a representative sample of patient records, to determine completeness, accuracy, timeliness of entries, appropriate signatures, and pertinence of clinical entries. Conclusions, recommendations, actions taken, and the results of actions are monitored and reported.

(*4*) *Drug utilization review.* The PHP shall implement a comprehensive process for the monitoring and evaluating of the prophylactic, therapeutic, and empiric use of drugs to assure that medications are provided appropriately, safely, and effectively.

(*5*) *Risk management.* The PHP shall implement a comprehensive risk management program, fully coordinated with other aspects of the quality assurance and quality improvement program, to prevent and control risks to patients and staff, and to minimize costs associated with clinical aspects of patient care and safety.

(*6*) *Infection control.* The PHP shall implement a comprehensive system for the surveillance, prevention, control, and reporting of infections acquired or brought into the facility.

(*7*) *Safety.* The PHP shall implement an effective program to assure a safe environment for patients, staff, and visitors, including an incident reporting system, disaster training and safety education, a continuous safety surveillance system, and an active multidisciplinary safety committee.

(*8*) *Facility evaluation.* The PHP annually evaluates accomplishment of the goals and objectives of each clinical program component or facility service of the PHP and reports findings and recommendations to the governing body.

(E) *Participation agreement requirements.* In addition to other requirements set forth in paragraph (b)(4)(xii) of this section, in order for the services of a PHP to be authorized, the PHP shall have entered into a Participation Agreement with OCHAMPUS. The period of a Participation Agreement shall be specified in the agreement, and will generally be for not more than five years. On October 1, 1995, the PHP shall not be considered to be a CHAMPUS authorized provider and CHAMPUS payments shall not be made for services provided by the PHP until the date the participation agreement is signed by the Director, OCHAMPUS. In addition to review of a facility's application and supporting documentation, an on-site inspection by OCHAMPUS authorized personnel may be required prior to signing a participation agreement. The Participation Agreement shall include at least the following requirements:

(*1*) Render partial hospitalization program services to eligible CHAMPUS beneficiaries in need of such services, in accordance with the participation agreement and CHAMPUS regulation.

(*2*) Accept payment for its services based upon the methodology provided in § 199.14, or such other method as determined by the Director, OCHAMPUS;

(*3*) Accept the CHAMPUS all-inclusive per diem rate as payment in full and collect from the CHAMPUS beneficiary or the family of the CHAMPUS beneficiary only those amounts that represent the beneficiary's liability, as defined in § 199.4, and charges for services and supplies that are not a benefit of CHAMPUS;

(*4*) Make all reasonable efforts acceptable to the Director, OCHAMPUS, to collect those amounts, which represent the beneficiary's liability, as defined in § 199.4;

(*5*) Comply with the provisions of § 199.8, and submit claims first to all health insurance coverage to which the beneficiary is entitled that is primary to CHAMPUS;

(*6*) Submit claims for services provided to CHAMPUS beneficiaries at least every 30 days (except to the extent a delay is necessitated by efforts to first collect from other health insurance). If claims are not submitted at least every 30 days, the PHP agrees not to bill the beneficiary or the beneficiary's family for any amounts disallowed by CHAMPUS;

(*7*) Certify that:

(*i*) It is and will remain in compliance with the provisions of paragraph (b)(4)(xii) of this section establishing standards for psychiatric partial hospitalization programs;

(*ii*) It has conducted a self assessment of the facility's compliance with the CHAMPUS Standards for Psychiatric Partial Hospitalization Programs, as issued by the Director, OCHAMPUS, and notified the Director, OCHAMPUS of any matter regarding which the facility is not in compliance with such standards; and

(*iii*) It will maintain compliance with the CHAMPUS Standards for Psychiatric Partial Hospitalization Programs, as issued by the Director, OCHAMPUS, except for any such standards regarding which the facility notifies the Director, OCHAMPUS that it is not in compliance.

(*8*) Designate an individual who will act as liaison for CHAMPUS inquiries. The PHP shall inform OCHAMPUS in writing of the designated individual;

(*9*) Furnish OCHAMPUS with cost data, as requested by OCHAMPUS, certified by an independent accounting firm or other agency as authorized by the Director, OCHAMPUS;

(*10*) Comply with all requirements of this section applicable to institutional providers generally concerning preauthorization, concurrent care review, claims processing, beneficiary liability, double coverage, utilization and quality review and other matters;

(*11*) Grant the Director, OCHAMPUS, or designee, the right to conduct quality assurance audits or accounting audits with full access to patients and records (including records relating to patients who are not CHAMPUS beneficiaries) to determine the quality and cost-effectiveness of care rendered. The audits may be conducted on a scheduled or unscheduled (unannounced) basis. This right to audit/review includes, but is not limited to:

(*i*) Examination of fiscal and all other records of the PHP which would confirm compliance with the participation agreement and designation as an authorized CHAMPUS PHP provider;

(*ii*) Conducting such audits of PHP records including clinical, financial, and census records, as may be necessary to determine the nature of the services being provided, and the basis for charges and claims against the United States for services provided CHAMPUS beneficiaries;

(*iii*) Examining reports of evaluations and inspections conducted by federal, state and local government, and private agencies and organizations;

(*iv*) Conducting on-site inspections of the facilities of the PHP and interviewing employees, members of the staff, contractors, board members, volunteers, and patients, as required;

(*v*) Audits conducted by the United States General Account Office.

(F) *Other requirements applicable to PHPs.*

(*1*) Even though a PHP may qualify as a CHAMPUS-authorized provider and may have entered into a participation agreement with CHAMPUS, payment by CHAMPUS for particular services provided is contingent upon the

PHP also meeting all conditions set forth in section 199.4 of this part.

(*2*) The PHP shall provide patient services to CHAMPUS beneficiaries in the same manner it provides inpatient services to all other patients. The PHP may not discriminate against CHAMPUS beneficiaries in any manner, including admission practices, placement in special or separate wings or rooms, or provisions of special or limited treatment.

(*3*) The PHP shall assure that all certifications and information provided to the Director, OCHAMPUS incident to the process of obtaining and retaining authorized provider status is accurate and that is has no material errors or omissions. In the case of any misrepresentations, whether by inaccurate information being provided or material facts withheld, authorized provider status will be denied or terminated, and the PHP will be ineligible for consideration for authorized provider status for a two year period.

(xiii) *Hospice programs.* Hospice programs must be Medicare approved and meet all Medicare conditions of participation (42 CFR part 418) in relation to CHAMPUS patients in order to receive payment under the CHAMPUS program. A hospice program may be found to be out of compliance with a particular Medicare condition of participation and still participate in the CHAMPUS as long as the hospice is allowed continued participation in Medicare while the condition of noncompliance is being corrected. The hospice program can be either a public agency or private organization (or a subdivision thereof) which:

(A) Is primarily engaged in providing the care and services described under § 199.4(e)(19) and makes such services available on a 24-hour basis.

(B) Provides bereavement counseling for the immediate family or terminally ill individuals.

(C) Provides for such care and services in individuals' homes, on an outpatient basis, and on a short-term inpatient basis, directly or under arrangements made by the hospice program, except that the agency or organization must:

(*1*) Ensure that substantially all the core services are routinely provided directly by hospice employees.

(*2*) Maintain professional management responsibility for all services which are not directly furnished to the patient, regardless of the location or facility in which the services are rendered.

(*3*) Provide assurances that the aggregate number of days of inpatient care provided in any 12-month period does not exceed 20 percent of the aggregate number of days of hospice care during the same period.

(*4*) Have an interdisciplinary group composed of the following personnel who provide the care and services described under § 199.4(e)(19) and who establish the policies governing the provision of such care/services:

(*i*) A physician;

(*ii*) A registered professional nurse;

(*iii*) A social worker; and

(*iv*) A pastoral or other counselor.

(*5*) Maintain central clinical records on all patients.

(*6*) Utilize volunteers.

(*7*) The hospice and all hospice employees must be licensed in accordance with applicable Federal, State and local laws and regulations.

(*8*) The hospice must enter into an agreement with CHAMPUS in order to be qualified to participate and to be eligible for payment under the program. In this agreement the hospice and CHAMPUS agree that the hospice will:

(*i*) Not charge the beneficiary or any other person for items or services for which the beneficiary is entitled to have payment made under the CHAMPUS hospice benefit.

(*ii*) Be allowed to charge the beneficiary for items or services requested by the beneficiary in addition to those that are covered under the CHAMPUS hospice benefit.

(*9*) Meet such other requirements as the Secretary of Defense may find necessary in the interest of the health and safety of the individuals who are provided care and services by such agency or organization.

(xiv) *Substance use disorder rehabilitation facilities.* Paragraph (b)(4)(xiv) of this section establishes standards and requirements for substance use order rehabilitation facilities (SUDRF). This

includes both inpatient rehabilitation centers for the treatment of substance use disorders and partial hospitalization centers for the treatment of substance use disorders.

(A) *Organization and administration.*

(*1*) *Definition of inpatient rehabilitation center.* An inpatient rehabilitation center is a facility, or distinct part of a facility, that provides medically monitored, interdisciplinary addiction-focused treatment to beneficiaries who have psychoactive substance use disorders. Qualified health care professionals provide 24-hour, seven-day-per-week, medically monitored assessment, treatment, and evaluation. An inpatient rehabilitation center is appropriate for patients whose addiction-related symptoms, or concomitant physical and emotional/behavioral problems reflect persistent dysfunction in several major life areas. Inpatient rehabilitation is differentiated from:

(*i*) Acute psychoactive substance use treatment and from treatment of acute biomedical/emotional/behavioral problems; which problems are either life-threatening and/or severely incapacitating and often occur within the context of a discrete episode of addiction-related biomedical or psychiatric dysfunction;

(*ii*) A partial hospitalization center, which serves patients who exhibit emotional/behavioral dysfunction but who can function in the community for defined periods of time with support in one or more of the major life areas;

(*iii*) A group home, sober-living environment, halfway house, or three-quarter way house;

(*iv*) Therapeutic schools, which are educational programs supplemented by addiction-focused services;

(*v*) Facilities that treat patients with primary psychiatric diagnoses other than psychoactive substance use or dependence; and

(*vi*) Facilities that care for patients with the primary diagnosis of mental retardation or developmental disability.

(*2*) *Definition of partial hospitalization center for the treatment of substance use disorders.* A partial hospitalization center for the treatment of substance use disorders is an addiction-focused service that provides active treatment to adolescents between the ages of 13 and 18 or adults aged 18 and over. Partial hospitalization is a generic term for day, evening, or weekend programs that treat patients with psychoactive substance use disorders according to a comprehensive, individualized, integrated schedule of care. A partial hospitalization center is organized, interdisciplinary, and medically monitored. Partial hospitalization is appropriate for those whose addiction-related symptoms or concomitant physical and emotional/behavioral problems can be managed outside the hospital environment for defined periods of time with support in one or more of the major life areas.

(*3*) *Eligibility.*

(*i*) Every inpatient rehabilitation center and partial hospitalization center for the treatment of substance use disorders must be certified pursuant to CHAMPUS certification standards. Such standards shall incorporate the basic standards set forth in paragraphs (b)(4)(xiv) (A) through (D) of this section, and shall include such additional elaborative criteria and standards as the Director, OCHAMPUS determines are necessary to implement the basic standards.

(*ii*) To be eligible for CHAMPUS certification, the SUDRF is required to be licensed and fully operational (with a minimum patient census of the lesser of: six patients or 30 percent of bed capacity) for a period of at least six months and operate in substantial compliance with state and federal regulations.

(*iii*) The SUDRF is currently accredited by the Joint Commission on Accreditation of Healthcare Organizations under the Accreditation Manual for Mental Health, Chemical Dependency, and Mental Retardation/Developmental Disabilities Services, or by the Commission on Accreditation of Rehabilitation Facilities as an alcoholism and other drug dependency rehabilitation program under the Standards Manual for Organizations Serving People with Disabilities, or other designated standards approved by the Director, OCHAMPUS.

(*iv*) The SUDRF has a written participation agreement with OCHAMPUS. On October 1, 1995, the

SUDRF is not considered a CHAMPUS-authorized provider, and CHAMPUS benefits are not paid for services provided until the date upon which a participation agreement is signed by the Director, OCHAMPUS.

(*4*) *Governing body*.

(*i*) The SUDRF shall have a governing body which is responsible for the policies, bylaws, and activities of the facility. If the SUDRF is owned by a partnership or single owner, the partners or single owner are regarded as the governing body. The facility will provide an up-to-date list of names, addresses, telephone numbers and titles of the members of the governing body.

(*ii*) The governing body ensures appropriate and adequate services for all patients and oversees continuing development and improvement of care. Where business relationships exist between the governing body and facility, appropriate conflict-of-interest policies are in place.

(*iii*) Board members are fully informed about facility services and the governing body conducts annual reviews of its performance in meeting purposes, responsibilities, goals and objectives.

(*5*) *Chief executive officer*. The chief executive officer, appointed by and subject to the direction of the governing body, shall assume overall administrative responsibility for the operation of the facility according to governing body policies. The chief executive officer shall have five years' administrative experience in the field of mental health or addictions. On October 1, 1997 the CEO shall possess a degree in business administration, public health, hospital administration, nursing, social work, or psychology, or meet similar educational requirements as prescribed by the Director, OCHAMPUS.

(*6*) *Clinical Director*. The clinical director, appointed by the governing body, shall be a qualified psychiatrist or doctoral level psychologist who meets applicable CHAMPUS requirements for individual professional providers and is licensed to practice in the state where the SUDRF is located. The clinical director shall possess requisite education and experience, including credentials applicable under state practice and licensing laws appropriate to the professional discipline. The clinical director shall satisfy at least one of the following requirements: certification by the American Society of Addiction Medicine; one year or 1,000 hours of experience in the treatment of psychoactive substance use disorders; or is a psychiatrist or doctoral level psychologist with experience in the treatment of substance use disorders. The clinical director shall be responsible for planning, development, implementation, and monitoring of all clinical activities.

(*7*) *Medical director*. The medical director, appointed by the governing body, shall be licensed to practice medicine in the state where the center is located and shall possess requisite education including graduation from an accredited school of medicine or osteopathy. The medical director shall satisfy at least one of the following requirements: certification by the American Society of Addiction Medicine; one year or 1,000 hours of experience in the treatment of psychoactive substance use disorders; or is a psychiatrist with experience in the treatment of substance use disorders. The medical director shall be responsible for the planning, development, implementation, and monitoring of all activities relating to medical treatment of patients. If qualified, the Medical Director may also serve as Clinical Director.

(*8*) *Medical or professional staff organization*. The governing body shall establish a medical or professional staff organization to assure effective implementation of clinical privileging, professional conduct rules, and other activities directly affecting patient care.

(*9*) *Personnel policies and records*. The SUDRF shall maintain written personnel policies, updated job descriptions, personnel records to assure the selection of qualified personnel and successful job performance of those personnel.

(*10*) *Staff development*. The SUDRF shall provide appropriate training and development programs for administrative, support, and direct care staff.

(*11*) *Fiscal accountability*. The SUDRF shall assure fiscal accountability to applicable government authorities and patients.

(*12*) *Designated teaching facilities*. Students, residents, interns, or fellows

providing direct clinical care are under the supervision of a qualified staff member approved by an accredited university or approved training program. The teaching program is approved by the Director, OCHAMPUS.

(*13*) *Emergency reports and records.* The facility notifies OCHAMPUS of any serious occurrence involving CHAMPUS beneficiaries.

(B) *Treatment services.*

(*1*) *Staff composition.*

(*i*) The SUDRF shall follow written plans which assure that medical and clinical patient needs will be appropriately addressed during all hours of operation by a sufficient number of fully qualified (including license, registration or certification requirements, educational attainment, and professional experience) health care professionals and support staff in the respective disciplines. Clinicians providing individual, group and family therapy meet CHAMPUS requirements as qualified mental health providers and operate within the scope of their licenses. The ultimate authority for planning, development, implementation, and monitoring of all clinical activities is vested in a psychiatrist or doctoral level clinical psychologist. The management of medical care is vested in a physician.

(*ii*) The SUDRF shall establish and follow written plans to assure adequate staff coverage during all hours of operation of the center, including physician availability and other professional staff coverage 24 hours per day, seven days per week for an inpatient rehabilitation center and during all hours of operation for a partial hospitalization center.

(*2*) *Staff qualifications.* Within the scope of its programs and services, the SUDRF has a sufficient number of professional, administrative, and support staff to address the medical and clinical needs of patients and to coordinate the services provided. SUDRFs that employ individuals with master's or doctoral level degrees in a mental health discipline who do not meet the licensure, certification and experience requirements for a qualified mental health provider but are actively working toward licensure or certification, may provide services within the DRG, provided the individual works under the clinical supervision of a fully qualified mental health provider employed by the SUDRF.

(*3*) *Patient rights.*

(*i*) The SUDRF shall provide adequate protection for all patient rights, safety, confidentiality, informed consent, grievances, and personal dignity.

(*ii*) The SUDRF has a written policy regarding patient abuse and neglect.

(*iii*) SUDRF marketing and advertising meets professional standards.

(*4*) *Behavioral management.* When a SUDRF uses a behavioral management program, the center shall adhere to a comprehensive, written plan of behavioral management, developed by the clinical director and the medical or professional staff and approved by the governing body. It shall be based on positive reinforcement methods and, except for infrequent use of temporary physical holds or time outs, does not include the use of restraint or seclusion. Only trained and clinically privileged RNs or qualified mental health professionals may be responsible for the implementation of seclusion and restraint in an emergency situation.

(*5*) *Admission process.* The SUDRF shall maintain written policies and procedures to ensure that, prior to an admission, a determination is made, and approved pursuant to CHAMPUS preauthorization requirements, that the admission is medically and/or psychologically necessary and the program is appropriate to meet the patient's needs. Medical and/or psychological necessity determinations shall be rendered by qualified mental health professionals who meet CHAMPUS requirements for individual professional providers and who are permitted by law and by the facility to refer patients for admission.

(*6*) *Assessment.* The professional staff of the SUDRF shall provide a complete, multidisciplinary assessment of each patient which includes, but is not limited to, medical history, physical health, nursing needs, alcohol and drug history, emotional and behavioral factors, age-appropriate social circumstances, psychological condition, education status, and skills. Unless otherwise specified, all required clinical assessments are completed prior to

development of the multidisciplinary treatment plan.

(*7*) *Clinical formulation.* A qualified mental health care professional of the SUDRF will complete a clinical formulation on all patients. The clinical formulation will be reviewed and approved by the responsible individual professional provider and will incorporate significant findings from each of the multidisciplinary assessments. It will provide the basis for development of an interdisciplinary treatment plan.

(*8*) *Treatment planning.* A qualified health care professional with admitting privileges shall be responsible for the development, supervision, implementation, and assessment of a written, individualized, and interdisciplinary plan of treatment, which shall be completed within 10 days of admission to an inpatient rehabilitation center or by the fifth day following admission to full day partial hospitalization center, and by the seventh day of treatment for half day partial hospitalization. The treatment plan shall include individual, measurable, and observable goals for incremental progress towards the treatment plan objectives and goals and discharge. A preliminary treatment plan is completed within 24 hours of admission and includes at least a physician's admission note and orders. The master treatment plan is regularly reviewed for effectiveness and revised when major changes occur in treatment.

(*9*) *Discharge and transition planning.* The SUDRF shall maintain a transition planning process to address adequately the anticipated needs of the patient prior to the time of discharge.

(*10*) *Clinical documentation.* Clinical records shall be maintained on each patient to plan care and treatment and provide ongoing evaluation of the patient's progress. All care is documented and each clinical record contains at least the following: demographic data, consent forms, pertinent legal documents, all treatment plans and patient assessments, consultation and laboratory reports, physician orders, progress notes, and a discharge summary. All documentation will adhere to applicable provisions of the JCAHO and requirements set forth in § 199.7(b)(3). An appropriately qualified records administrator or technician will supervise and maintain the quality of the records. These requirements are in addition to other records requirements of this part, and provisions of the JCAHO Manual for Mental Health, Chemical Dependency, and Mental Retardation/Developmental Disabilities Services.

(*11*) *Progress notes.* Timely and complete progress notes shall be maintained to document the course of treatment for the patient and family.

(*12*) *Therapeutic services.*

(*i*) Individual, group, and family psychotherapy and addiction counseling services are provided to all patients, consistent with each patient's treatment plan by qualified mental health providers.

(*ii*) A range of therapeutic activities, directed and staffed by qualified personnel, are offered to help patients meet the goals of the treatment plan.

(*iii*) Therapeutic educational services are provided or arranged that are appropriate to the patient's educational and therapeutic needs.

(*13*) *Ancillary services.* A full range of ancillary services is provided. Emergency services include policies and procedures for handling emergencies with qualified personnel and written agreements with each facility providing the service. Other ancillary services include physical health, pharmacy and dietary services.

(C) *Standards for physical plant and environment.*

(*1*) *Physical environment.* The buildings and grounds of the SUDRF shall be maintained so as to avoid health and safety hazards, be supportive of the services provided to patients, and promote patient comfort, dignity, privacy, personal hygiene, and personal safety.

(*2*) *Physical plant safety.* The SUDRF shall be maintained in a manner that protects the lives and ensures the physical safety of patients, staff, and visitors, including conformity with all applicable building, fire, health, and safety codes.

(*3*) *Disaster planning.* The SUDRF shall maintain and rehearse written plans for taking care of casualties and handling other consequences arising from internal or external disasters.

(D) *Standards for evaluation system.*

(*1*) *Quality assessment and improvement.* The SUDRF develop and implement a comprehensive quality assurance and quality improvement program that monitors the quality, efficiency, appropriateness, and effectiveness of the care, treatments, and services it provides for patients and their families, utilizing clinical indicators of effectiveness to contribute to an ongoing process of program improvement. The clinical director is responsible for developing and implementing quality assessment and improvement activities throughout the facility.

(*2*) *Utilization review.* The SUDRF shall implement a utilization review process, pursuant to a written plan approved by the professional staff, the administration, and the governing body, that assesses the appropriateness of admissions, continued stay, and timeliness of discharge as part of an effort to provide quality patient care in a cost-effective manner. Findings of the utilization review process are used as a basis for revising the plan of operation, including a review of staff qualifications and staff composition.

(*3*) *Patient records review.* The center shall implement a process, including monthly reviews of a representative sample of patient records, to determine the completeness and accuracy of the patient records and the timeliness and pertinence of record entries, particularly with regard to regular recording of progress/non-progress in treatment plan.

(*4*) *Drug utilization review.* An inpatient rehabilitation center and, when applicable, a partial hospitalization center, shall implement a comprehensive process for the monitoring and evaluating of the prophylactic, therapeutic, and empiric use of drugs to assure that medications are provided appropriately, safely, and effectively.

(*5*) *Risk management.* The SUDRF shall implement a comprehensive risk management program, fully coordinated with other aspects of the quality assurance and quality improvement program, to prevent and control risks to patients and staff and costs associated with clinical aspects of patient care and safety.

(*6*) *Infection control.* The SUDRF shall implement a comprehensive system for the surveillance, prevention, control, and reporting of infections acquired or brought into the facility.

(*7*) *Safety.* The SUDRF shall implement an effective program to assure a safe environment for patients, staff, and visitors.

(*8*) *Facility evaluation.* The SUDRF annually evaluates accomplishment of the goals and objectives of each clinical program and service of the SUDRF and reports findings and recommendations to the governing body.

(*E*) *Participation agreement requirements.* In addition to other requirements set forth in paragraph (b)(4)(xiv) of this section, in order for the services of an inpatient rehabilitation center or partial hospitalization center for the treatment of substance abuse disorders to be authorized, the center shall have entered into a Participation Agreement with OCHAMPUS. The period of a Participation Agreement shall be specified in the agreement, and will generally be for not more than five years. On October 1, 1995, the SUDRF shall not be considered to be a CHAMPUS authorized provider and CHAMPUS payments shall not be made for services provided by the SUDRF until the date the participation agreement is signed by the Director, OCHAMPUS. In addition to review of the SUDRFS application and supporting documentation, an on-site visit by OCHAMPUS representatives may be part of the authorization process. In addition, such a Participation Agreement may not be signed until an SUDRF has been licensed and operational for at least six months. The Participation Agreement shall include at least the following requirements:

(*1*) Render applicable services to eligible CHAMPUS beneficiaries in need of such services, in accordance with the participation agreement and CHAMPUS regulation;

(*2*) Accept payment for its services based upon the methodology provided in § 199.14, or such other method as determined by the Director, OCHAMPUS;

(*3*) Accept the CHAMPUS-determined rate as payment in full and collect from the CHAMPUS beneficiary or the family of the CHAMPUS beneficiary only those amounts that represent the beneficiary's liability, as defined in

§ 199.4, and charges for services and supplies that are not a benefit of CHAMPUS;

(*4*) Make all reasonable efforts acceptable to the Director, OCHAMPUS, to collect those amounts which represent the beneficiary's liability, as defined in § 199.4;

(*5*) Comply with the provisions of § 199.8, and submit claims first to all health insurance coverage to which the beneficiary is entitled that is primary to CHAMPUS;

(*6*) Furnish OCHAMPUS with cost data, as requested by OCHAMPUS, certified to by an independent accounting firm or other agency as authorized by the Director, OCHAMPUS;

(*7*) Certify that:

(*i*) It is and will remain in compliance with the provisions of paragraph (b)(4)(xiv) of the section establishing standards for substance use disorder rehabilitation facilities;

(*ii*) It has conducted a self assessment of the SUDRF'S compliance with the CHAMPUS Standards for Substance Use Disorder Rehabilitation Facilities, as issued by the Director, OCHAMPUS, and notified the Director, OCHAMPUS of any matter regarding which the facility is not in compliance with such standards; and

(*iii*) It will maintain compliance with the CHAMPUS Standards for Substance Use Disorder Rehabilitation Facilities, as issued by the Director, OCHAMPUS, except for any such standards regarding which the facility notifies the Director, OCHAMPUS that it is not in compliance.

(*8*) Grant the Director, OCHAMPUS, or designee, the right to conduct quality assurance audits or accounting audits with full access to patients and records (including records relating to patients who are not CHAMPUS beneficiaries) to determine the quality and cost effectiveness of care rendered. The audits may be conducted on a scheduled or unscheduled (unannounced) basis. This right to audit/review included, but is not limited to:

(*i*) Examination of fiscal and all other records of the center which would confirm compliance with the participation agreement and designation as an authorized CHAMPUS provider;

(*ii*) Conducting such audits of center records including clinical, financial, and census records, as may be necessary to determine the nature of the services being provided, and the basis for charges and claims against the United States for services provided CHAMPUS beneficiaries;

(*iii*) Examining reports of evaluations and inspection conducted by federal, state and local government, and private agencies and organizations;

(*iv*) Conducting on-site inspections of the facilities of the SUDRF and interviewing employees, members of the staff, contractors, board members, volunteers, and patients, as required.

(*v*) Audits conducted by the United States General Accounting Office.

(F) *Other requirements applicable to substance use disorder rehabilitation facilities.*

(*1*) Even though a SUDRF may qualify as a CHAMPUS-authorized provider and may have entered into a participation agreement with CHAMPUS, payment by CHAMPUS for particular services provided is contingent upon the SUDRF also meeting all conditions set forth in § 199.4.

(*2*) The center shall provide inpatient services to CHAMPUS beneficiaries in the same manner it provides services to all other patients. The center may not discriminate against CHAMPUS beneficiaries in any manner, including admission practices, placement in special or separate wings or rooms, or provisions of special or limited treatment.

(*3*) The substance use disorder facility shall assure that all certifications and information provided to the Director, OCHAMPUS incident to the process of obtaining and retaining authorized provider status is accurate and that it has no material errors or omissions. In the case of any misrepresentations, whether by inaccurate information being provided or material facts withheld, authorized provider status will be denied or terminated, and the facility will be ineligible for consideration for authorized provider status for a two year period.

(c) *Individual professional providers of care.* (1) *General.* Individual professional providers of care are those providers who bill for their services on a fee-for-service basis and who are not employed

by an institutional provider or under a contract which provides for payment to the individual professional provider by an institutional provider. This category also includes those individuals who have formed professional corporations or associations qualifying as a domestic corporation under 26 CFR 301.7701–5. Such individual professional providers must be licensed or certified by the local licensing or certifying agency for the jurisdiction in which the care is provided; or in the absence of state licensure/certification, be a member of, or demonstrate eligibility for full clinical membership in, the appropriate national or professional certifying association that sets standards for the profession of which the provider is a member. Services provided must be in accordance with good medical practice and prevailing standards of quality of care and within recognized utilization norms.

(i) *Licensing/certification required, scope of license.* Otherwise covered services shall be cost-shared only if the individual professional provider holds a current, valid license or certification to practice his or her profession in the jurisdiction where the service is rendered. Licensure/certification must be at the full clinical practice level. The services provided must be within the scope of the license, certification or other legal authorization. Licensure or certification is required to be a CHAMPUS authorized provider if offered in the jurisdiction where the service is rendered, whether such licensure or certification is required by law or available on a voluntary basis. The requirement also applies for those categories of providers that would otherwise be exempt by the state because the provider is working in a non-profit, state-owned or church setting. Licensure/certification is mandatory for a provider to become a CHAMPUS-authorized provider.

(ii) *Monitoring required.* The Director, OCHAMPUS, or a designee, shall develop appropriate monitoring programs and issues guidelines, criteria, or norms necessary to ensure that CHAMPUS expenditures are limited to necessary medical supplies and services at the most reasonable cost to the government and beneficiary. The Director, OCHAMPUS, or a designee, also will take such steps as necessary to deter overutilization of services.

(iii) *Christian Science.* Christian Science practitioners and Christian Science nurses are authorized to provide services under CHAMPUS. Inasmuch as they provide services of an extramedical nature, the general criteria outlined above do not apply to Christian Science services (refer to paragraph (c)(3)(iv)(B) regarding services of Christian Science practitioners and nurses).

(iv) *Physician referral and supervision.* Physician referral and supervision is required for the services of paramedical providers as listed in paragraph (c)(3)(iii)(H) of this section and for pastoral counselors and mental health counselors. Physician referral means that the physician must actually see the patient, perform an evaluation, and arrive at an initial diagnostic impression prior to referring the patient. Documentation is required of the physician's examination, diagnostic impression, and referral. Physician supervision means that the physician provides overall medical management of the case. The physician does not have to be physically located on the premises of the provider to whom the referral is made. Communication back to the referring physician is an indication of medical management.

(v) *Medical records:* Individual professional providers must maintain adequate clinical records to substantiate that specific care was actually furnished, was medically necessary, and appropriate, and identify(ies) the individual(s) who provided the care. This applies whether the care is inpatient or outpatient. The minimum requirements for medical record documentation are set forth by the following:

(A) The cognizant state licensing authority;

(B) The Joint Commission on Accreditation of Healthcare Organizations, or other health care accreditation organizations as may be appropriate;

(C) Standards of practice established by national medical organizations; and

(D) This part.

(2) *Interns and residents.* Interns and residents may not be paid directly by CHAMPUS for services rendered to a

beneficiary when their services are provided as part of their employment (either salaried or contractual) by a hospital or other institutional provider.

(3) *Types of providers.* Subject to the standards of participation provisions of this part, the following individual professional providers of medical care are authorized to provide services to CHAMPUS beneficiaries:

(i) *Physicians.* (A) Doctors of Medicine (M.D.).

(B) Doctors of Osteopathy (D.O.).

(ii) *Dentists.* Except for covered oral surgery as specified in §199.4(e) of this part, all otherwise covered services rendered by dentists require preauthorization.

(A) Doctors of Dental Medicine (D.M.D.).

(B) Doctors of Dental Surgery (D.D.S.).

(iii) *Other allied health professionals.* The services of the following individual professional providers of care are coverable on a fee-for-service basis provided such services are otherwise authorized in this or other sections of this part.

(A) *Clinical psychologist.* For purposes of CHAMPUS, a clinical psychologist is an individual who is licensed or certified by the state for the independent practice of psychology and:

(*1*) Possesses a doctoral degree in psychology from a regionally accredited university; and

(*2*) Has has 2 years of supervised clinical experience in psychological health services of which at least 1 year is post-doctoral and 1 year (may be the post-doctoral year) is in an organized psychological health service training program; or

(*3*) As an alternative to paragraphs (c)(3)(iii)(A)(*1*) and (*2*) of this section is listed in the National Register of Health Service Providers in Psychology.

(B) *Doctors of Optometry.*

(C) *Doctors of Podiatry or Surgical Chiropody.*

(D) *Certified nurse midwives.*

(*1*) A certified nurse midwife may provide covered care independent of physician referral and supervision, provided the nurse midwife is:

(*i*) Licensed, when required, by the local licensing agency for the jurisdiction in which the care is provided; and

(*ii*) Certified by the American College of Nurse Midwives. To receive certification, a candidate must be a registered nurse who has completed successfully an educational program approved by the American College of Nurse Midwives, and passed the American College of Nurse Midwives National Certification Examination.

(*2*) The services of a registered nurse who is not a certified nurse midwife may be authorized only when the patient has been referred for care by a licensed physician and a licensed physican provides continuing supervision of the course of care. A lay midwife who is neither a certified nurse midwife nor a registered nurse is not a CHAMPUS-authorized provider, regardless of whether the services rendered may otherwise be covered.

(E) *Certified nurse practitioner.* Within the scope of applicable licensure or certification requirements, a certified nurse practitioner may provide covered care independent of physician referral and supervision, provided the nurse practitioner is:

(*1*) A licensed, registered nurse; and

(*2*) Specifically licensed or certified as a nurse practitioner by the state in which the care was provided, if the state offers such specific licensure or certification; or

(*3*) Certified as a nurse practitioner (certified nurse) by a professional organization offering certification in the speciality of practice, if the state does not offer specific licensure or certification for nurse practitioners.

(F) *Certified Clinical Social Worker.* A clinical social worker may provide covered services independent of physician referral and supervision, provided the clinical social worker:

(*1*) Is licensed or certified as a clinical social worker by the jurisdiction where practicing; or, if the jurisdiction does not provide for licensure or certification of clinical social workers, is certified by a national professional organization offering certification of clinical social workers; and

(*2*) Has at least a master's degree in social work from a graduate school of

social work accredited by the Council on Social Work Education; and

(*3*) Has had a minimum of 2 years or 3,000 hours of post-master's degree supervised clinical social work practice under the supervision of a master's level social worker in an appropriate clinical setting, as determined by the Director, OCHAMPUS, or a designee.

NOTE: Patients' organic medical problems must receive appropriate concurrent management by a physician.

(G) *Certified psychiatric nurse specialist.* A certified psychiatric nurse specialist may provide covered care independent of physician referral and supervision. For purposes of CHAMPUS, a certified psychiatric nurse specialist is an individual who:

(*1*) Is a licensed, registered nurse; and

(*2*) Has at least a master's degree in nursing from a regionally accredited institution with a specialization in psychiatric and mental health nursing; and

(*3*) Has had at least 2 years of post-master's degree practice in the field of psychiatric and mental health nursing, including an average of 8 hours of direct patient contact per week; or

(*4*) Is listed in a CHAMPUS-recognized, professionally sanctioned listing of clinical specialists in psychiatric and mental health nursing.

(H) *Certified physician assistant.* A physician assistant may provide care under general supervision of a physician (see § 199.14(g)(1)(iii) of this part for limitations on reimbursement). For purposes of CHAMPUS, a physician assistant must meet the applicable state requirements governing the qualifications of physician assistants and at least one of the following conditions:

(*1*) Is currently certified by the National Commission on Certification of Physician Assistants to assist primary care physicians, or

(*2*) Has satisfactorily completed a program for preparing physician assistants that:

(*i*) Was at least 1 academic year in length;

(*ii*) Consisted of supervised clinical practice and at least 4 months (in the aggregate) of classroom instruction directed toward preparing students to deliver health care; and

(*iii*) Was accredited by the American Medical Association's Committee on Allied Health Education and Accreditation; or

(*3*) Has satisfactorily completed a formal educational program for preparing program physician assistants that does not meet the requirement of paragraph (c)(3)(iii)(H)(*2*) of this section and had been assisting primary care physicians for a minimum of 12 months during the 18-month period immediately preceding January 1, 1987.

(I) *Other individual paramedical providers.* The services of the following individual professional providers of care to be considered for benefits on a fee-for-service basis may be provided only if the beneficiary is referred by a physician for the treatment of a medically-diagnosed condition and a physician must also provide continuing and ongoing oversight and supervision of the program or episode of treatment provided by these individual para-medical providers.

(*1*) Licensed registered nurses.

(*2*) Licensed registered physical therapists and occupational therapists.

(*3*) Licensed registered physical therapists.

(*4*) Audiologists.

(*5*) Speech therapists (speech pathologists).

(iv) *Extramedical individual providers.* Extramedical individual providers are those who do counseling or nonmedical therapy and whose training and therapeutic concepts are outside the medical field. The services of extramedical individual professionals are coverable following the CHAMPUS determined allowable charge methodology provided such services are otherwise authorized in this or other sections of the regulation.

(A) *Certified marriage and family therapists.* For the purposes of CHAMPUS, a certified marriage and family therapist is an individual who meets the following requirements:

(*1*) Recognized graduate professional education with the minimum of an earned master's degree from a regionally accredited educational institution in an appropriate behavioral science field, mental health discipline; and

(*2*) The following experience:

(*i*) Either 200 hours of approved supervision in the practice of marriage and family counseling, ordinarily to be completed in a 2- to 3-year period, of which at least 100 hours must be in individual supervision. This supervision will occur preferably with more than one supervisor and should include a continuous process of supervision with at least three cases; and

(*ii*) 1,000 hours of clinical experience in the practice of marriage and family counseling under approved supervision, involving at least 50 different cases; or

(*iii*) 150 hours of approved supervision in the practice of psychotherapy, ordinarily to be completed in a 2- to 3-year period, of which at least 50 hours must be individual supervision; plus at least 50 hours of approved individual supervision in the practice of marriage and family counseling, ordinarily to be completed within a period of not less than 1 nor more than 2 years; and

(*iv*) 750 hours of clinical experience in the practice of psychotherapy under approved supervision involving at least 30 cases; plus at least 250 hours of clinical practice in marriage and family counseling under approved supervision, involving at least 20 cases; and

(*3*) Is licensed or certified to practice as a marriage and family therapist by the jurisdiction where practicing (see paragraph (c)(3)(iv)(D) of this section for more specific information regarding licensure); and

(*4*) Agrees that a patients' organic medical problems must receive appropriate concurrent management by a physician.

(*5*) Agrees to accept the CHAMPUS determined allowable charge as payment in full, except for applicable deductibles and cost-shares, and hold CHAMPUS beneficiaries harmless for noncovered care (i.e., may not bill a beneficiary for noncovered care, and may not balance bill a beneficiary for amounts above the allowable charge). The certified marriage and family therapist must enter into a participation agreement with the Office of CHAMPUS within which the certified marriage and family therapist agrees to all provisions specified above.

(*6*) As of the effective date of termination, the certified marriage and family therapist will no longer be recognized as an authorized provider under CHAMPUS. Subsequent to termination, the certified marriage and family therapist may only be reinstated as an authorized CHAMPUS extramedical provider by entering into a new participation agreement as a certified marriage and family therapist.

(B) *Pastoral counselors.* For the purposes of CHAMPUS, a pastoral counselor is an individual who meets the following requirements:

(*1*) Recognized graduate professional education with the minimum of an earned master's degree from a regionally accredited educational institution in an appropriate behavioral science field, mental health discipline; and

(*2*) The following experience:

(*i*) Either 200 hours of approved supervision in the practice of pastoral counseling, ordinarily to be completed in a 2- to 3-year period, of which at least 100 hours must be in individual supervision. This supervision will occur preferably with more than one supervisor and should include a continuous process of supervision with at least three cases; and

(*ii*) 1,000 hours of clinical experience in the practice of pastoral counseling under approved supervision, involving at least 50 different cases; or

(*iii*) 150 hours of approved supervision in the practice of psychotherapy, ordinarily to be completed in a 2- to 3-year period, of which at least 50 hours must be individual supervision; plus at least 50 hours of approved individual supervision in the practice of pastoral counseling, ordinarily to be completed within a period of not less than 1 nor more than 2 years; and

(*iv*) 750 hours of clinical experience in the practice of psychotherapy under approved supervision involving at least 30 cases; plus at least 250 hours of clinical practice in pastoral counseling under approved supervision, involving at least 20 cases; and

(*3*) Is licensed or certified to practice as a pastoral counselor by the jurisdiction where practicing (see paragraph (c)(3)(iv)(D) of this section for more specific information regarding licensure); and

(*4*) The services of a pastoral counselor meeting the above requirements are coverable following the CHAMPUS

determined allowable charge methdology, under the following specified conditions:

(*i*) The CHAMPUS beneficiary must be referred for therapy by a physician; and

(*ii*) A physician is providing ongoing oversight and supervision of the therapy being provided; and

(*iii*) The pastoral counselor must certify on each claim for reimbursement that a written communication has been made or will be made to the referring physician of the results of the treatment. Such communication will be made at the end of the treatment, or more frequently, as required by the referring physician (refer to § 199.7).

(*5*) Because of the similarity of the requirements for licensure, certification, experience, and education, a pastoral counselor may elect to be authorized under CHAMPUS as a certified marriage and family therapist, and as such, be subject to all previously defined criteria for the certified marriage and family therapist category, to include acceptance of the CHAMPUS determined allowable charge as payment in full, except for applicable deductibles and cost-shares (i.e., balance billing of a beneficiary above the allowable charge is prohibited; may not bill beneficiary for noncovered care). The pastoral counselor must also agree to enter into the same participation agreement as a certified marriage and family therapist with the Office of CHAMPUS within which the pastoral counselor agrees to all provisions including licensure, national association membership and conditions upon termination, outlined above for certified marriage and family therapist.

NOTE: No dual status will be recognized by the Office of CHAMPUS. Pastoral counselors must elect to become one of the categories of extramedical CHAMPUS provides specified above. Once authorized as either a pastoral counselor, or a certified marriage and family therapist, claims review and reimbursement will be in accordance with the criteria established for the elected provider category.

(C) *Mental health counselor.* For the purposes of CHAMPUS, a mental health counselor is an individual who meets the following requirements:

(*1*) Minimum of a master's degree in mental health counseling or allied mental health field from a regionally accredited institution; and

(*2*) Two years of post-masters experience which includes 3000 hours of clinical work and 100 hours of face-to-face supervision; and

(*3*) Is licensed or certified to practice as a mental health counselor by the jurisdiction where practicing (see paragraph (c)(3)(iv)(D) of this section for more specific information); and

(*4*) May only be reimbursed when:

(*i*) The CHAMPUS beneficiary is referred for therapy by a physician; and

(*ii*) A physician is providing ongoing oversight and supervision of the therapy being provided; and

(*iii*) The mental health counselor certifies on each claim for reimbursement that a written communication has been made or will be made to the referring physician of the results of the treatment. Such communication will be made at the end of the treatment, or more frequently, as required by the referring physician (refer to § 199.7).

(D) The following additional information applies to each of the above categories of extramedical individual providers:

(*1*) These providers must also be licensed or certified to practice as a certified marriage and family therapist, pastoral counselor or mental health counselor by the jurisdiction where practicing. In jurisdictions that do not provide for licensure or certification, the provider must be certified by or eligible for full clinical membership in the appropriate national professional association that sets standards for the specific profession.

(*2*) Grace period for therapists or counselors in states where licensure/certification is optional. CHAMPUS is providing a grace period for those therapists or counselors who did not obtain optional licensure/certification in their jurisdiction, not realizing it was a CHAMPUS requirement for authorization. The exemption by state law for pastoral counselors may have misled this group into thinking licensure was not required. The same situation may have occurred with the other therapist or counselor categories where licensure was either not mandated by the state or was provided under a more general category such as ''professional

counselors.'' This grace period pertains only to the licensure/certification requirement, applies only to therapists or counselors who are already approved as of October 29, 1990, and only in those areas where the licensure/certification is optional. Any therapist or counselor who is not licensed/certified in the state in which he/she is practicing by August 1, 1991, will be terminated under the provisions of § 199.9. This grace period does not change any of the other existing requirements which remain in effect. During this grace period, membership or proof of eligibility for full clinical membership in a recognized professional association is required for those therapists or counselors who are not licensed or certified by the state. The following organizations are recognized for therapists or counselors at the level indicated: Full clinical member of the American Association of Marriage and Family Therapy; membership at the fellow or diplomate level of the American Association of Pastoral Counselors; and membership in the National Academy of Certified Clinical Mental Health Counselors. Acceptable proof of eligibility for membership is a letter from the appropriate certifying organization. This opportunity for delayed certification/licensure is limited to the counselor or therapist category only as the language in all of the other provider categories has been consistent and unmodified from the time each of the other provider categories were added. The grace period does not apply in those states where licensure is mandatory.

(E) *Christian Science practitioners and Christian Science nurses.* CHAMPUS cost-shares the services of Christian Science practitioners and nurses. In order to bill as such, practitioners or nurses must be listed or be eligible for listing in the Christian Science Journal[1] at the time the service is provided.

(d) *Other providers.* Certain medical supplies and services of an ancillary or supplemental nature are coverable by CHAMPUS, subject to certain controls. This category of provider includes the following:

(1) *Independent laboratory.* Laboratory services of independent laboratories may be cost-shared if the laboratory is approved for participation under Medicare and certified by the Medicare Bureau, Health Care Financing Administration.

(2) *Suppliers of portable x-ray services.* Such suppliers must meet the conditions of coverage of the Medicare program, set forth in the Medicare regulations, or the Medicaid program in that state in which the covered service is provided.

(3) *Pharmacies.* Pharmacies must meet the applicable requirements of state law in the state in which the pharmacy is located.

(4) *Ambulance companies.* Such companies must meet the requirements of state and local laws in the jurisdiction in which the ambulance firm is licensed.

(5) *Medical equipment firms, medical supply firms.* As determined by the Director, OCHAMPUS, or a designee.

(6) *Mammography suppliers.* Mammography services may be cost-shared only if the supplier is certified by Medicare for participation as a mammography supplier, or is certified by the American College of Radiology as having met its mammography supplier standards.

(e) *Program for Persons with Disabilities Providers.*—(1) *General.* (i) Services and items cost-shared through § 199.5 must be rendered by a CHAMPUS-authorized provider.

(ii) A Program for the Handicapped (PFTH) provider with CHAMPUS-authorized status on the effective date for the Program for Persons with Disabilities (PFPWD) shall be deemed to be a CHAMPUS-authorized PFPWD provider until all outstanding PFTH benefit authorizations for services or items being rendered by the provider expire.

(2) *PFPWD provider categories.*—(i) *PFPWD inpatient care provider.* A provider of residential institutional care which is otherwise a PFPWD benefit shall be:

(A) A not-for-profit entity or a public facility, as defined in § 199.2; and

[1] Copies of this journal can be obtained through the Christian Science Publishing Company, 1 Norway Street, Boston, MA 02115–3122 or the Christian Science Publishing Society, P.O. Box 11369, Des Moines, IA 50340.

(B) Located within a State, as defined in §199.2; and

(C) Be certified as eligible for Medicaid payment in accordance with a State plan for medical assistance under Title XIX of the Social Security Act (Medicaid) as a Medicaid Nursing Facility, or Intermediate Care Facility for the Mentally Retarded, or be a CHAMPUS-authorized Institutional Provider as defined in paragraph (b) of this section, or be approved by a State educational agency as a training institution.

(ii) *PFPWD outpatient care provider.* A provider of PFPWD outpatient, ambulatory, or in-home services shall be:

(A) A CHAMPUS-authorized provider of services as defined in this section; or

(B) An individual, corporation, foundation, or public entity that predominantly renders services of a type uniquely allowable as a PFPWD benefit and not otherwise allowable as a benefit of §199.4, that meets all applicable licensing or other regulatory requirements that are extant in the state, county, municipality, or other political jurisdiction in which the PFPWD service is rendered.

(iii) *PFPWD vendor.* A provider of an allowable PFPWD item, supply, equipment, orthotic, or device shall be deemed to be a CHAMPUS-authorized vendor for the provision of the specific item, supply, equipment, orthotic, or device when the vendor supplies such information as the Director, OCHAMPUS, or designee, determines necessary to adjudicate a specific claim.

(3) *PFPWD provider exclusion or suspension.* A provider of PFPWD services or items may be excluded or suspended for a pattern of discrimination on the basis of disability. Such exclusion or suspension shall be accomplished according to the provisions of §199.9.

(f) *Implementing instructions.* The Director, OCHAMPUS, or a designee, shall issue CHAMPUS policies, instructions, procedures, and guidelines, as may be necesssary to implement the intent of this section.

(g) *Exclusion.* Regardless of any provision in this section, a provider who is suspended, excluded, or terminated under §199.9 of this part is specifically excluded as an authorized CHAMPUS provider.

[51 FR 24008, July 1, 1986]

EDITORIAL NOTE: For FEDERAL REGISTER citations affecting §199.6, see the List of Sections Affected in the Finding Aids section of this volume.

§199.7 Claims submission, review, and payment.

(a) *General.* The Director, OCHAMPUS, or a designee, is responsible for ensuring that benefits under CHAMPUS are paid only to the extent described in this part. Before benefits can be paid, an appropriate claim must be submitted that includes sufficient information as to beneficiary identification, the medical services and supplies provided, and double coverage information, to permit proper, accurate, and timely adjudication of the claim by the CHAMPUS contractor or OCHAMPUS. Providers must be able to document that the care or service shown on the claim was rendered. This section sets forth minimum medical record requirements for verification of services. Subject to such definitions, conditions, limitations, exclusions, and requirements as may be set forth in this part, the following are the CHAMPUS claim filing requirements:

(1) *CHAMPUS identification card required.* A patient shall present his or her applicable CHAMPUS identification card (that is, Uniformed Services identification card) to the authorized provider of care that identifies the patient as an eligible CHAMPUS beneficiary (refer to §199.3 of this part).

(2) *Claim required.* No benefit may be extended under the Basic Program or Program for Persons with Disabilities (PFPWD) without the submission of a complete and properly executed appropriate claim form.

(3) *Responsibility for perfecting claim.* It is the responsibility of the CHAMPUS beneficiary or sponsor or the authorized provider acting on behalf of the CHAMPUS beneficiary to perfect a claim for submission to the appropriate CHAMPUS fiscal intermediary. Neither a CHAMPUS fiscal intermediary nor OCHAMPUS is authorized to prepare a claim on behalf of a CHAMPUS beneficiary.

(4) *Obtaining appropriate claim form.* CHAMPUS provides specific CHAMPUS forms appropriate for making a claim for benefits for various types of medical services and supplies (such as hospital, physician, or prescription drugs). Claim forms may be obtained from the appropriate CHAMPUS fiscal intermediary who processes claims for the beneficiary's state of residence, from the Director, OCHAMPUS, or a designee, or from CHAMPUS health benefits advisors (HBAs) located at all Uniformed Services medical facilities.

(5) *Prepayment not required.* A CHAMPUS beneficiary or sponsor is not required to pay for the medical services or supplies before submitting a claim for benefits.

(6) *Deductible certificate.* If the fiscal year outpatient deductible, as defined in § 199.4(f)(2) has been met by a beneficiary or a family through the submission of a claim or claims to a CHAMPUS fiscal intermediary in a geographic location different from the location where a current claim is being submitted, the beneficiary or sponsor must obtain a deductible certificate from the CHAMPUS fiscal intermediary where the applicable individual or family fiscal year deductible was met. Such deductible certificate must be attached to the current claim being submitted for benefits. Failure to obtain a deductible certificate under such circumstances will result in a second individual or family fiscal year deductible being applied. However, this second deductible may be reimbursed once appropriate documentation, as described in this paragraph is supplied to the CHAMPUS fiscal intermediary applying the second deductible (refer to § 199.4 (f)(2)(i)(F)).

(7) *Nonavailability Statement (DD Form 1251).* In some geographic locations or under certain circumstances, it is necessary for a CHAMPUS beneficiary to determine whether the required medical care can be provided through a Uniformed Services facility. If the required medical care cannot be provided by the Uniformed Services facility, a Nonavailability Statement will be issued. When requried (except for emergencies), this Nonavailability Statement must be issued before medical care is obtained from civilian sources. Failure to secure such a statement will waive the beneficiary's rights to benefits under CHAMPUS, subject to appeal to the appropriate hospital commander (or higher medical authority).

(i) *Rules applicable to issuance of Nonavailability Statement.* The ASD(HA) has issued DoD Instruction 6015.19 that contains rules for the issuance of Nonavailability Statements. Such rules may change depending on the current situations.

(ii) *Beneficiary responsibility.* The beneficiary shall ascertain whether or not he or she resides in a geographic area that requires obtaining a Nonavailability Statement. Information concerning current rules may be obtained from the CHAMPUS fiscal intermediary concerned, a CHAMPUS HBA or the Director, OCHAMPUS, or a designee.

(iii) *Rules in effect at time civilian care is provided apply.* The applicable rules regarding Nonavailability Statements in effect at the time the civilian care is rendered apply in determining whether a Nonavailability Statement is required.

(iv) *Nonavailability Statement must be filed with applicable claim.* When a claim is submitted for CHAMPUS benefits that includes services for which a Nonavailability Statement is required, such statement must be submitted along with the claim form.

(b) *Information required to adjudicate a CHAMPUS claim.* Claims received that are not completed fully and that do not provide the following minimum information may be returned. If enough space is not available on the appropriate claim form, the required information must be attached separately and include the patient's name and address, be dated, and signed.

(1) *Patient's identification information.* The following patient identification information must be completed on every CHAMPUS claim form submitted for benefits before a claim will be adjudicated and processed:

(i) *Patient's full name.*

(ii) *Patient's residence address.*

(iii) *Patient's date of birth.*

(iv) *Patient's relationship to sponsor.*

NOTE: If name of patient is different from sponsor, explain (for example, stepchild or illegitimate child).

(v) *Patient's identification number (from DD Form 1173).*

(vi) *Patient's identification card effective date and expiration date (from DD Form 1173).*

(vii) *Sponsor's full name.*

(viii) *Sponsor's service or social security number.*

(ix) *Sponsor's grade.*

(x) *Sponsor's organization and duty station.* Home port for ships; home address for retiree.

(xi) *Sponsor's branch of service or deceased or retiree's former branch of service.*

(xii) *Sponsor's current status.* Active duty, retired, or deceased.

(2) *Patient treatment information.* The following patient treatment information routinely is required relative to the medical services and supplies for which a claim for benefits is being made before a claim will be adjudicated and processed:

(i) *Diagnosis.* All applicable diagnoses are required; standard nomenclature is acceptable. In the absence of a diagnosis, a narrative description of the definitive set of symptoms for which the medical care was rendered must be provided.

(ii) *Source of care.* Full name of source of care (such as hospital or physician) providing the specific medical services being claimed.

(iii) *Full address of source of care.* This address must be where the care actually was provided, not a billing address.

(iv) *Attending physician.* Name of attending physician (or other authorized individual professional provider).

(v) *Referring physician.* Name and address of ordering, prescribing, or referring physician.

(vi) *Status of patient.* Status of patient at the time the medical services and supplies were rendered (that is, inpatient or outpatient).

(vii) *Dates of service.* Specific and inclusive dates of service.

(viii) *Inpatient stay.* Source and dates of related inpatient stay (if applicable).

(ix) *Physicians or other authorized individual professional providers.* The claims must give the name of the individual actually rendering the care, along with the individual's professional status (e.g., M.D., Ph.D., R.N., etc.) and provider number, if the individual signing the claim is not the provider who actually rendered the service. The following information must also be included:

(A) Date each service was rendered.

(B) Procedure code or narrative description of each procedure or service for each date of service.

(C) Individual charge for each item of service or each supply for each date.

(D) Detailed description of any unusual complicating circumstances related to the medical care provided that the physician or other individual professional provider may choose to submit separately.

(x) *Hospitals or other authorized institutional providers.* For care provided by hospitals (or other authorized institutional providers), the following information also must be provided before a claim will be adjudicated and processed:

(A) An itemized billing showing each item of service or supply provided for each day covered by the claim.

NOTE: The Director, OCHAMPUS, or a designee, may approve, in writing, an alternative billing procedure for RTCs or other special institutions, in which case the itemized billing requirement may be waived. The particular facility will be aware of such approved alternate billing procedure.

(B) Any absences from a hospital or other authorized institution during a period for which inpatient benefits are being claimed must be identified specifically as to date or dates and provide details on the purpose of the absence. Failure to provide such information will result in denial of benefits and, in an ongoing case, termination of benefits for the inpatient stay at least back to the date of the absence.

(C) For hospitals subject to the CHAMPUS DRG-based payment system (see paragraph (a)(1)(ii)(D) of § 199.14), the following information is also required:

(*1*) The principal diagnosis (the diagnosis established, after study, to be chiefly responsible for causing the patient's admission to the hospital).

(*2*) All secondary diagnoses.

(*3*) All significant procedures performed.

(*4*) The discharge status of the beneficiary.

(*5*) The hospital's Medicare provider number.

(*6*) The source of the admission.

(D) Claims submitted by hospitals (or other authorized institutional providers) must include the name of the individual actually rendering the care, along with the individual's professional status (e.g., M.D., Ph.D., R.N., etc.).

(xi) *Prescription drugs and medicines (and insulin).* For prescription drugs and medicines (and insulin, whether or not a prescription is required) receipted bills must be attached and the following additional information provided:

(A) Name of drug.

NOTE: When the physician or pharmacist so requests, the name of the drugs may be submitted to the CHAMPUS fiscal intermediary directly by the physician or pharmacist.

(B) Strength of drug.

(C) Name and address of pharmacy where drug was purchased.

(D) Prescription number of drug being claimed.

(xii) *Other authorized providers.* For items from other authorized providers (such as medical supplies), an explanation as to the medical need must be attached to the appropriate claim form. For purchases of durable equipment under the PFPWD, it is necessary also to attach a copy of the preauthorization.

(xiii) *Nonparticipating providers.* When the beneficiary or sponsor submits the claim to the CHAMPUS fiscal intermediary (that is, the provider elects not to participate), an itemized bill from the provider to the beneficiary or sponsor must be attached to the CHAMPUS claim form.

(3) *Medical records/medical documentation.* Medical records are of vital importance in the care and treatment of the patient. Medical records serve as a basis for planning of patient care and for the ongoing evaluation of the patient's treatment and progress. Accurate and timely completion of orders, notes, etc., enable different members of a health care team and subsequent health care providers to have access to relevant data concerning the patient. Appropriate medical records must be maintained in order to accommodate utilization review and to substantiate that billed services were actually rendered.

(i) All care rendered and billed must be appropriately documented in writing. Failure to document the care billed will result in the claim or specific services on the claim being denied CHAMPUS cost-sharing.

(ii) A pattern of failure to adequately document medical care will result in episodes of care being denied CHAMPUS cost-sharing.

(iii) Cursory notes of a generalized nature that do not identify the specific treatment and the patient's response to the treatment are not acceptable.

(iv) The documentation of medical records must be legible and prepared as soon as possible after the care is rendered. Entries should be made when the treatment described is given or the observations to be documented are made. The following are documentation requirements and specific time frames for entry into the medical records:

(A) General requirements for acute medical/surgical services:

(*1*) Admission evaluation report within 24 hours of admission.

(*2*) Completed history and physical examination report within 72 hours of admission.

(*3*) Registered nursing notes at the end of each shift.

(*4*) Daily physician notes.

(B) Requirements specific to mental health services:

(*1*) Psychiatric admission evaluation report within 24 hours of admission.

(*2*) History and physical examination within 24 hours of admission; complete report documented within 72 hours for acute and residential programs and within 3 working days for partial programs.

(*3*) Individual and family therapy notes within 24 hours of procedure for acute, detoxification and Residential Treatment Center (RTC) programs and within 48 hours for partial programs.

(*4*) Preliminary treatment plan within 24 hours of admission.

(*5*) Master treatment plan within 5 calendar days of admission for acute care, 10 days for RTC care, 5 days for full-day partial programs and within 7 days for half-day partial programs.

(*6*) Family assessment report within 72 hours of admission for acute care

and 7 days for RTC and partial programs.

(*7*) Nursing assessment report within 24 hours of admission.

(*8*) Nursing notes at the end of each shift for acute and detoxification programs; every ten visits for partial hospitalization; and at least once a week for RTCs.

(*9*) Daily physician notes for intensive treatment, detoxification, and rapid stabilization programs; twice per week for acute programs; and once per week for RTC and partial programs.

(*10*) Group therapy notes once per week.

(*11*) Ancillary service notes once per week.

NOTE: A pattern of failure to meet the above criteria may result in provider sanctions prescribed under § 199.9.

(4) *Double coverage information.* When the CHAMPUS beneficiary is eligible for medical benefits coverage through another plan, insurance, or program, either private or Government, the following information must be provided:

(i) *Name of other coverage.* Full name and address of double coverage plan, insurance, or program (such as Blue Cross, Medicare, commercial insurance, and state program).

(ii) *Source of double coverage.* Source of double coverage (such as employment, including retirement, private purchase, membership in a group, and law).

(iii) *Employer information.* If source of double coverage is employment, give name and address of employer.

(iv) *Identification number.* Identification number or group number of other coverage.

(5) *Right to additional information.* (i) As a condition precedent to the cost-sharing of benefits under this part or pursuant to a review or audit, whether the review or audit is prospective, concurrent, or retroactive, OCHAMPUS or CHAMPUS contractors may request, and shall be entitled to receive, information from a physician or hospital or other person, institution, or organization (including a local, state, or Federal Government agency) providing services or supplies to the beneficiary for whom claims or requests for approval for benefits are submitted. Such information and records may relate to the attendance, testing, monitoring, examination, diagnosis, treatment, or services and supplies furnished to a beneficiary and, as such, shall be necessary for the accurate and efficient administration of CHAMPUS benefits. This may include requests for copies of all medical records or documentation related to the episode of care. In addition, before a determination on a request for preauthorization or claim of benefits is made, a beneficiary, or sponsor, shall provide additional information relevant to the requested determination, when necessary. The recipient of such information shall hold such records confidential except when:

(A) Disclosure of such information is authorized specifically by the beneficiary;

(B) Disclosure is necessary to permit authorized governmental officials to investigate and prosecute criminal actions; or

(C) Disclosure is authorized or required specifically under the terms of DoD Directive 5400.7 and 5400.11, the Freedom of Information Act, and the Privacy Act (refer to paragraph (m) of § 199.1 of this part).

(ii) For the purposes of determining the applicability of and implementing the provisions of §§ 199.8 and 199.9, or any provision of similar purpose of any other medical benefits coverage or entitlement, OCHAMPUS or CHAMPUS fiscal intermediaries, without consent or notice to any beneficiary or sponsor, may release to or obtain from any insurance company or other organization, governmental agency, provider, or person, any information with respect to any beneficiary when such release constitutes a routine use duly published in the FEDERAL REGISTER in accordance with the Privacy Act.

(iii) Before a beneficiary's claim of benefits is adjudicated, the beneficiary or the provider(s) must furnish to CHAMPUS that information which is necessary to make the benefit determination. Failure to provide the requested information will result in denial of the claim. A beneficiary, by submitting a CHAMPUS claim(s) (either a participating or nonparticipating

claim), is deemed to have given consent to the release of any and all medical records or documentation pertaining to the claims and the episode of care.

(c) *Signature on CHAMPUS Claim Form*—(1) *Beneficiary signature.* CHAMPUS claim forms must be signed by the beneficiary except under the conditions identified in paragraph (c)(1)(v) of this section. The parent or guardian may sign for any beneficiary under 18 years.

(i) *Certification of identity*. This signature certifies that the patient identification information provided is correct.

(ii) *Certification of medical care provided*. This signature certifies that the specific medical care for which benefits are being claimed actually were rendered to the beneficiary on the dates indicated.

(iii) *Authorization to obtain or release information*. Before requesting additional information necessary to process a claim or releasing medical information, the signature of the beneficiary who is 18 years old or older must be recorded on or obtained on the CHAMPUS claim form or on a separate release form. The signature of the beneficiary, parent, or guardian will be requested when the beneficiary is under 18 years.

NOTE: If the care was rendered to a minor and a custodial parent or legal guardian requests information prior to the minor turning 18 years of age, medical records may still be released pursuant to the signature of the parent or guardian, and claims information may still be released to the parent or guardian in response to the request, even though the beneficiary has turned 18 between the time of the request and the response. However, any follow-up request or subsequent request from the parent or guardian, after the beneficiary turns 18 years of age, will necessitate the authorization of the beneficiary (or the beneficiary's legal guardian as appointed by a cognizant court), before records and information can be released to the parent or guardian.

(iv) *Certification of accuracy and authorization to release double coverage information*. This signature certifies to the accuracy of the double coverage information and authorizes the release of any information related to double coverage. (Refer to § 199.8 of this part).

(v) *Exceptions to beneficiary signature requirement*. (A) Except as required by paragraph (c)(1)(iii) of this section, the signature of a spouse, parent, or guardian will be accepted on a claim submitted for a beneficiary who is 18 years old or older.

(B) When the institutional provider obtains the signature of the beneficiary (or the signature of the parent or guardian when the beneficiary is under 18 years) on a CHAMPUS claim form at admission, the following participating claims may be submitted without the beneficiary's signature.

(*1*) Claims for laboratory and diagnostic tests and test interpretations from radiologists, pathologists, neurologists, and cardiologists.

(*2*) Claims from anesthesiologists.

(C) Claims filed by providers using CHAMPUS-approved signature-on-file and claims submission procedures.

(2) *Provider's signature.* A participating provider (see paragraph (a)(8) of § 199.6) is required to sign the CHAMPUS claim form.

(i) *Certification*. A participating provider's signature on a CHAMPUS claim form:

(A) Certifies that the specific medical care listed on the claim form was, in fact, rendered to the specific beneficiary for which benefits are being claimed, on the specific date or dates indicated, at the level indicated and by the provider signing the claim unless the claim otherwise indicates another individual provided the care. For example, if the claim is signed by a psychiatrist and the care billed was rendered by a psychologist or licensed social worker, the claim must indicate both the name and profession of the individual who rendered the care.

(B) Certifies that the provider has agreed to participate (providing this agreement has been indicated on the claim form) and that the CHAMPUS-determined allowable charge or cost will constitute the full charge or cost for the medical care listed on the specific claim form; and further agrees to accept the amount paid by CHAMPUS or the CHAMPUS payment combined with the cost-shared amount paid by, or on behalf of the beneficiary, as full payment for the covered medical services or supplies.

(*1*) Thus, neither CHAMPUS nor the sponsor is responsible for any additional charges, whether or not the CHAMPUS-determined charge or cost is less than the billed amount.

(*2*) Any provider who signs and submits a CHAMPUS claim form and then violates this agreement by billing the beneficiary or sponsor for any difference between the CHAMPUS-determined charge or cost and the amount billed is acting in bad faith and is subject to penalties including withdrawal of CHAMPUS approval as a CHAMPUS provider by administrative action of the Director, OCHAMPUS, or a designee, and possible legal action on the part of CHAMPUS, either directly or as a part of a beneficiary action, to recover monies improperly obtained from CHAMPUS beneficiaries or sponsors (refer to § 199.6 of this part.)

(ii) *Physician or other authorized individual professional provider.* A physician or other authorized individual professional provider is liable for any signature submitted on his or her behalf. Further, a facsimile signature is not acceptable unless such facsimile signature is on file with, and has been authorized specifically by, the CHAMPUS fiscal intermediary serving the state where the physician or other authorized individual professional provider practices.

(iii) *Hospital or other authorized institutional provider.* The provider signature on a claim form for institutional services must be that of an authorized representative of the hospital or other authorized institutional provider, whose signature is on file with and approved by the appropriate CHAMPUS fiscal intermediary.

(d) *Claims filing deadline.* For all services provided on or after January 1, 1993, to be considered for benefits, all claims submitted for benefits must, except as provided in paragraph (d)(2) of this section, be filed with the appropriate CHAMPUS contractor no later than one year after the services are provided. Unless the requirement is waived, failure to file a claim within this deadline waives all rights to benefits for such services or supplies.

(1) *Claims returned for additional information.* When a claim is submitted initially within the claim filing time limit, but is returned in whole or in part for additional information to be considered for benefits, the returned claim, along with the requested information, must be resubmitted and received by the appropriate CHAMPUS contractor no later than the later of:

(i) One year after the services are provided; or

(ii) 90 days from the date the claim was returned to the provider or beneficiary.

(2) *Exception to claims filing deadline.* The Director, OCHAMPUS, or a designee, may grant exceptions to the claims filing deadline requirements.

(i) *Types of exception.* (A) *Retroactive eligibility.* Retroactive CHAMPUS eligibility determinations.

(B) *Administrative error.* Administrative error (that is, misrepresentation, mistake, or other accountable action) of an officer or employee of OCHAMPUS (including OCHAMPUSEUR) or a CHAMPUS fiscal intermediary, performing functions under CHAMPUS and acting within the scope of that official's authority.

(C) *Mental incompetency.* Mental incompetency of the beneficiary or guardian or sponsor, in the case of a minor child (which includes inability to communicate, even if it is the result of a physical disability).

(D) *Delays by other health insurance.* When not attributable to the beneficiary, delays in adjudication by other health insurance companies when double coverage coordination is required before the CHAMPUS benefit determination.

(E) *Other waiver authority.* The Director, OCHAMPUS may waive the claims filing deadline in other circumstances in which the Director determines that the waiver is necessary in order to ensure adequate access for CHAMPUS beneficiaries to health care services.

(ii) *Request for exception to claims filing deadline.* Beneficiaries who wish to request an exception to the claims filing deadline may submit such a request to the CHAMPUS fiscal intermediary having jurisdiction over the location in which the service was rendered, or as otherwise designated by the Director, OCHAMPUS.

(A) Such requests for an exception must include a complete explanation of

the circumstances of the late filing, together with all available documentation supporting the request, and the specific claim denied for late filing.

(B) Each request for an exception to the claims filing deadline is reviewed individually and considered on its own merits.

(e) *Other claims filing requirements.* Notwithstanding the claims filing deadline described in paragraph (d) of this section, to lessen any potential adverse impact on a CHAMPUS beneficiary or sponsor that could result from a retroactive denial, the following additional claims filing procedures are recommended or required.

(1) *Continuing care.* Except for claims subject to the CHAMPUS DRG-based payment system, whenever medical services and supplies are being rendered on a continuing basis, an appropriate claim or claims should be submitted every 30 days (monthly) whether submitted directly by the beneficiary or sponsor or by the provider on behalf of the beneficiary. Such claims may be submitted more frequently if the beneficiary or provider so elects. The Director, OCHAMPUS, or a designee, also may require more frequent claims submission based on dollars. Examples of care that may be rendered on a continuing basis are outpatient physical therapy, private duty (special) nursing, or inpatient stays. For claims subject to the CHAMPUS DRG-based payment system, claims may be submitted only after the beneficiary has been discharged or transferred from the hospital.

(2) *Inpatient mental health services.* Under most circumstances, the 60-day inpatient mental health limit applies to the first 60 days of care paid in a calendar year. The patient will be notified when the first 30 days of inpatient mental health benefits have been paid. The beneficiary is responsible for assuring that all claims for care are submitted sequentially and on a regular basis. Once payment has been made for care determined to be medically appropriate and a program benefit, the decision will not be reopened solely on the basis that previous inpatient mental health care had been rendered but not yet billed during the same calendar year by a different provider.

(3) *Claims involving the services of marriage and family counselors, pastoral counselors, and mental health counselors.* CHAMPUS requires that marriage and family counselors, pastoral counselors, and mental health counselors make a written report to the referrring physician concerning the CHAMPUS beneficiary's progress. Therefore, each claim for reimbursement for services of marriage and family counselors, pastoral counselors, and mental health counselors must include certification to the effect that a written communication has been made or will be made to the referring physician at the end of treatment, or more frequently, as required by the referring physician.

(f) *Preauthorization.* When specifically required in other sections of this part, preauthorization requires the following:

(1) *Preauthorization must be granted before benefits can be extended.* In those situations requiring preauthorization, the request for such preauthorization shall be submitted and approved before benefits may be extended, except as provided in § 199.4(a)(11). If a claim for services or supplies is submitted without the required preauthorization, no benefits shall be paid, unless the Director, OCHAMPUS, or a designee, has granted an exception to the requirement for preauthorization.

(i) *Specifically preauthorized services.* An approved preauthorization specifies the exact services or supplies for which authorization is being given. In a preauthorization situation, benefits cannot be extended for services or supplies provided beyond the specific authorization.

(ii) *Time limit on preauthorization.* Approved preauthorizations are valid for specific periods of time, appropriate for the circumstances presented and specified at the time of the preauthorization is approved. In general, preauthorization are valid for 30 days. If the preauthorized service or supplies are not obtained or commenced within the specified time limit, a new preauthorization is required before benefits may be extended.

(2) *Treatment plan.* Each preauthorization request shall be accompanied by a proposed medical treatment plan (for inpatient stays

under the Basic Program) which shall include generally a diagnosis; a detailed summary of complete history and physical; a detailed statement of the problem; the proposed treatment modality, including anticipated length of time the proposed modality will be required; any available test results; consultant's reports; and the prognosis. When the preauthorization request involves transfer from a hospital to another inpatient facility, medical records related to the inpatient stay also must be provided.

(3) *Claims for services and supplies that have been preauthorized.* Whenever a claim is submitted for benefits under CHAMPUS involving preauthorized services and supplies, the date of the approved preauthorization must be indicated on the claim form and a copy of the written preauthorization must be attached to the appropriate CHAMPUS claim.

(4) *Advance payment prohibited.* No CHAMPUS payment shall be made for otherwise authorized services or items not yet rendered or delivered to the beneficiary.

(g) *Claims review.* It is the responsibility of the CHAMPUS fiscal intermediary (or OCHAMPUS, including OCHAMPUSEUR) to review each CHAMPUS claim submitted for benefit consideration to ensure compliance with all applicable definitions, conditions, limitations, or exclusions specified or enumerated in this part. It is also required that before any CHAMPUS benefits may be extended, claims for medical services and supplies will be subject to utilization review and quality assurance standards, norms, and criteria issued by the Director, OCHAMPUS, or a designee (see paragraph (a)(1)(v) of § 199.14 for review standards for claims subject to the CHAMPUS DRG-based payment system).

(h) *Benefit payments.* CHAMPUS benefit payments are made either directly to the beneficiary or sponsor or to the provider, depending on the manner in which the CHAMPUS claim is submitted.

(1) *Benefit payments made to beneficiary or sponsor.* When the CHAMPUS beneficiary or sponsor signs and submits a specific claim form directly to the appropriate CHAMPUS fiscal intermediary (or OCHAMPUS, including OCHAMPUSEUR), any CHAMPUS benefit payments due as a result of that specific claim submission will be made in the name of, and mailed to, the beneficiary or sponsor. In such circumstances, the beneficiary or sponsor is responsible to the provider for any amounts billed.

(2) *Benefit payments made to participating provider.* When the authorized provider elects to participate by signing a CHAMPUS claim form, indicating participation in the appropriate space on the claim form, and submitting a specific claim on behalf of the beneficiary to the appropriate CHAMPUS fiscal intermediary, any CHAMPUS benefit payments due as a result of that claim submission will be made in the name of and mailed to the participating provider. Thus, by signing the claim form, the authorized provider agrees to abide by the CHAMPUS-determined allowable charge or cost, whether or not lower than the amount billed. Therefore, the beneficiary or sponsor is responsible only for any required deductible amount and any cost-sharing portion of the CHAMPUS-determined allowable charge or cost as may be required under the terms and conditions set forth in §§ 199.4 and 199.5 of this part.

(3) *CEOB.* When a CHAMPUS claim is adjudicated, a CEOB is sent to the beneficiary or sponsor. A copy of the CEOB also is sent to the provider if the claim was submitted on a participating basis. The CEOB form provides, at a minimum, the following information:

(i) Name and address of beneficiary.

(ii) Name and address of provider.

(iii) Services or supplies covered by claim for which CEOB applies.

(iv) Dates services or supplies provided.

(v) Amount billed; CHAMPUS-determined allowable charge or cost; and amount of CHAMPUS payment.

(vi) To whom payment, if any, was made.

(vii) Reasons for any denial.

(viii) Recourse available to beneficiary for review of claim decision (refer to § 199.10 of this part).

NOTE: The Director, OCHAMPUS, or a designee, may authorize a CHAMPUS fiscal

intermediary to waive a CEOB to protect the privacy of a CHAMPUS beneficiary.

(4) *Benefit under $1.* If the CHAMPUS benefit is determined to be under $1, payment is waived.

(i) *Erroneous payments and recoupment*—(1) *Erroneous payments.* Erroneous payments are expenditures of government funds that are not authorized by law or this part. Such payments are to be recouped under the provisions of § 199.11 of this part.

(2) *Claims denials resulting from clarification or change in law or Regulation.* In those instances where claims review results in a finding of denial of benefits previously allowed but currently denied due to a clarification or interpretation of law or this part, or due to a change in this part, no recoupment action need be taken to recover funds expended prior to the effective date of such clarification, interpretation, or change.

(3) *Fraudulent billing.* Claims that are submitted to CHAMPUS that include a billing for services, supplies, or equipment not furnished, or used by, CHAMPUS beneficiaries will be denied in their entirety, regardless of the relative amount of the fraudulent billing compared to the total billings. Claims that have been CHAMPUS cost-shared that are retroactively audited or reviewed and are found to include fraudulent billings may be denied in part or in total based on the discretion of the Director, OCHAMPUS, or a designee.

(j) *General assignment of benefits not recognized.* CHAMPUS does not recognize any general assignment of CHAMPUS benefits to another person. All CHAMPUS benefits are payable as described in this and other Sections of this part.

[51 FR 24008, July 1, 1986, as amended at 52 FR 33007, Sept. 1, 1987; 53 FR 5373, Feb. 24, 1988; 54 FR 25246, June 14, 1989; 56 FR 28487, June 21, 1991; 56 FR 59878, Nov. 26, 1991; 58 FR 35408, July 1, 1993; 58 FR 51238, Oct. 1, 1993; 58 FR 58961, Nov. 5, 1993; 62 FR 35097, June 30, 1997]

§ 199.8 Double coverage.

(a) *Introduction.* In enacting CHAMPUS legislation, Congress clearly has intended that CHAMPUS be the secondary payer to all health benefit and insurance plans. 10 U.S.C. 1079(j)(1) specifically provides:

> ''A benefit may not be paid under a plan [CHAMPUS] covered by this section in the case of a person enrolled in any other insurance, medical service, or health plan to the extent that the benefit also is a benefit under other plans, except in the case of a plan [Medicaid] administered under title 19 of the Social Security Act (42 U.S.C. 1306 *et seq.).*''

The above provision is made applicable specifically to retired members, dependents, and survivors by 10 U.S.C. 1086(d). The underlying intent, in addition to preventing waste of Federal resources, is to ensure that CHAMPUS beneficiaries receive maximum benefits while ensuring that the combined payments of CHAMPUS and other health benefit and insurance plans do not exceed the total charges.

(b) *Double coverage plan.* A double coverage plan is one of the following:

(1) *Insurance plan.* An insurance plan is any plan or program that is designed to provide compensation or coverage for expenses incurred by a beneficiary for medical services and supplies. It includes plans or programs for which the beneficiary pays a premium to an issuing agent as well as those plans or programs to which the beneficiary is entitled as a result of employment or membership in, or association with, an organization or group.

(2) *Medical service or health plan.* A medical service or health plan is any plan or program of an organized health care group, corporation, or other entity for the provision of health care to an individual from plan providers, both professional and institutional. It includes plans or programs for which the beneficiary pays a premium to an issuing agent as well as those plans or programs to which the beneficiary is entitled as a result of employment or membership in, or association with, an organization or group.

(3) *Exceptions.* Double coverage plans do not include:

(i) Plans administered under title XIX of the Social Security Act (Medicaid);

(ii) Coverage specifically designed to supplement CHAMPUS benefits (a health insurance policy or other health benefit plan that meets the definition

and criteria under supplemental insurance plan as set forth in §199.2(b));

(iii) Entitlement to receive care from Uniformed Services medical care facilities;

(iv) Certain Federal Government programs, as prescribed by the Director, OCHAMPUS, that are designed to provide benefits to a distinct beneficiary population and for which entitlement does not derive from either premium payment of monetary contribution (for example, the Indian Health Service); or

(v) State Victims of Crime Compensation Programs.

(c) *Application of double coverage provisions.* CHAMPUS claims submitted for otherwise covered services or supplies and which involve double coverage shall be adjudicated as follows:

(1) *CHAMPUS always last pay.* For any claim that involves a double coverage plan as defined above, CHAMPUS shall be last pay. That is, CHAMPUS benefits may not be extended until all other double coverage plans have adjudicated the claim.

(2) *Waiver of benefits.* A CHAMPUS beneficiary may not elect to waive benefits under a double coverage plan and use CHAMPUS. Whenever double coverage exists, the provisions of this Section shall be applied.

(3) *Last pay limitations.* CHAMPUS may not pay more as a secondary payer than it would have in the absence of other coverages. Application of double coverage provisions does not extend or add to the CHAMPUS benefits as otherwise set forth in this and other Sections of this part.

(d) *Special considerations.* (1) *CHAMPUS and Medicare.* In any double coverage situation involving Medicare, Medicare is always the primary payer. When Part A, ''Hospital Insurance,'' of Medicare is involved, the Medicare ''lifetime reserve'' benefit must be used before CHAMPUS benefits may be extended.

(2) *CHAMPUS and Medicaid.* Medicaid is not a double coverage plan. In any double coverage situation involving Medicaid, CHAMPUS is always the primary payer.

(3) *CHAMPUS and Worker's Compensation.* CHAMPUS benefits are not payable for a work-related illness or injury that is covered under a worker's compensation program.

(4) *Program for persons with disabilities (PFPWD).* A PFPWD eligible beneficiary (or sponsor or guardian acting on behalf of the beneficiary) does not have the option of waiving the full use of public facilities which are determined by the Director, OCHAMPUS, or designee, to be available and adequate to meet a disability related need for which a PFPWD benefit was requested. Benefits eligible for payment under a State plan for medical assistance under Title XIX of the Social Security Act (Medicaid) are never considered to be available in the adjudication of PFPWD benefits.

(e) *Implementing instructions.* The Director, OCHAMPUS, or a designee, shall issue such instructions, procedures, or guidelines, as necessary, to implement the intent of this section.

[51 FR 24008, July 1, 1986, as amended at 62 FR 35097, June 30, 1997; 62 FR 54384, Oct. 20, 1997]

§199.9 Administrative remedies for fraud, abuse, and conflict of interest.

(a) *General.* (1) This section sets forth provisions for invoking administrative remedies under CHAMPUS in situations involving fraud, abuse, or conflict of interest. The remedies impact institutional providers, professional providers, and beneficiaries (including parents, guardians, or other representatives of beneficiaries), and cover situations involving criminal fraud, civil fraud, administrative determinations of conflicts of interest or dual compensation, and administrative determinations of fraud or abuse. The administrative actions, remedies, and procedures may differ based upon whether the initial findings were made by a court of law, another agency, or the Director, OCHAMPUS (or designee).

(2) This section also sets forth provisions for invoking administrative remedies in situations requiring administrative action to enforce provisions of law, regulation, and policy in the administration of CHAMPUS and to ensure quality of care for CHAMPUS beneficiaries. Examples of such situations may include a case in which it is

discovered that a provider fails to meet requirements under this part to be an authorized CHAMPUS provider; a case in which the provider ceases to be qualified as a CHAMPUS provider because of suspension or revocation of the provider's license by a local licensing authority; or a case in which a provider meets the minimum requirements under this part but, nonetheless, it is determined that it is in the best interest of the CHAMPUS or CHAMPUS beneficiaries that the provider should not be an authorized CHAMPUS provider.

(3) The administrative remedies set forth in this section are in addition to, and not in lieu of, any other remedies or sanctions authorized by law or regulation. For example, administrative action under this section may be taken in a particular case even if the same case will be or has been processed under the administrative procedures established by the Department of Defense to implement the Program Fraud Civil Remedies Act.

(4) Providers seeking payment from the Federal Government through programs such as CHAMPUS have a duty to familiarize themselves with, and comply with, the program requirements.

(5) CHAMPUS contractors and peer review organizations have a responsibility to apply provisions of this regulation in the discharge of their duties, and to report all known situations involving fraud, abuse, or conflict of interest. Failure to report known situations involving fraud, abuse, or conflict of interest will result in the withholding of administrative payments or other contractual remedies as determined by the Director, OCHAMPUS, or a designee.

(b) *Abuse.* The term ''abuse'' generally describes incidents and practices which may directly or indirectly cause financial loss to the Government under CHAMPUS or to CHAMPUS beneficiaries. For the definition of abuse, see § 199.2 of this part. The type of abuse to which CHAMPUS is most vulnerable is the CHAMPUS claim involving the overutilization of medical and health care services. To avoid abuse situations, providers have certain obligations to provide services and supplies under CHAMPUS which are: Furnished at the appropriate level and only when and to the extent medically necessary as determined under the provisions of this part; of a quality that meets professionally recognized standards of health care; and, supported by adequate medical documentation as may reasonably be required under this part by the Director, OCHAMPUS, or a designee, to evidence the medical necessity and quality of services furnished, as well as the appropriateness of the level of care. A provider's failure to comply with these obligations can result in sanctions being imposed by the Director, OCHAMPUS, or a designee, under this section. Even when administrative remedies are not initiated under this section, abuse situations under CHAMPUS are a sufficient basis for denying all or any part of CHAMPUS cost-sharing of individual claims. The types of abuse or possible abuse situations under CHAMPUS include, but are not limited, to the following:

(1) A pattern of waiver of beneficiary (patient) cost-share or deductible.

NOTE: In a case of a legitimate bad debt write-off of patient cost-share or deductible, the provider's record should include documentation as to what efforts were made to collect the debt, when the debt was written off, why the debt was written off, and the amount of the debt written off.

(2) Improper billing practices. Examples include, charging CHAMPUS beneficiaries rates for services and supplies that are in excess of those charges routinely charged by the provider to the general public, commercial health insurance carriers, or other federal health benefit entitlement programs for the same or similar services. (This includes dual fee schedules—one for CHAMPUS beneficiaries and one for other patients or third-party payers. This also includes billing other third-party payers the same as CHAMPUS is billed but accepting less than the billed amount as reimbursement. However, a formal discount arrangement such as through a preferred provider organization, may not necessarily constitute an improper billing practice.)

(3) A pattern of claims for services which are not medically necessary or,

if medically necessary, not to the extent rendered. For example, a battery of diagnostic tests are given when, based on the diagnosis, fewer tests were needed.

(4) Care of inferior quality. For example, consistently furnishing medical or mental health services that do not meet accepted standards of care.

(5) Failure to maintain adequate medical or financial records.

(6) Refusal to furnish or allow the Government (for example, OCHAMPUS) or Government contractors access to records related to CHAMPUS claims.

(7) Billing substantially in excess of customary or reasonable charges unless it is determined by OCHAMPUS that the excess charges are justified by unusual circumstances or medical complications requiring additional time, effort, or expense in localities when it is accepted medical practice to make an extra charge in such cases.

(8) Unauthorized use of the term ''Civilian Health and Medical Program of the Uniformed Services (CHAMPUS)'' in private business. While the use of the term ''CHAMPUS'' is not prohibited by federal statute, misrepresentation or deception by use of the term ''CHAMPUS'' to imply an official connection with the Government or to defraud CHAMPUS beneficiaries may be a violation of federal statute. Regardless of whether the actual use of the term ''CHAMPUS'' may be actionable under federal statute, the unauthorized or deceptive use of the term ''CHAMPUS'' in private business will be considered abuse for purposes of this Section.

(c) *Fraud*. For the definition of fraud, see §199.2 of this part. Examples of situations which, for the purpose of this part, are presumed to be fraud include, but are not limited to:

(1) Submitting CHAMPUS claims (including billings by providers when the claim is submitted by the beneficiary) for services, supplies, or equipment not furnished to, or used by, CHAMPUS beneficiaries. For example, billing or claiming services when the provider was on call (other than an authorized standby charge) and did not provide any specific medical care to the beneficiary; providing services to an ineligible person and billing or submitting a claim for the services in the name of an eligible CHAMPUS beneficiary; billing or submitting a CHAMPUS claim for an office visit for a missed appointment; or billing or submitting a CHAMPUS claim for individual psychotherapy when a medical visit was the only service provided.

(2) Billing or submitting a CHAMPUS claim for costs for noncovered or nonchargeable services, supplies, or equipment disguised as covered items. Some examples are: (i) Billings or CHAMPUS claims for services which would be covered except for the frequency or duration of the services, such as billing or submitting a claim for two one-hour psychotherapy sessions furnished on separate days when the actual service furnished was a two-hour therapy session on a single day, (ii) spreading the billing or claims for services over a time period that reduces the apparent frequency to a level that may be cost-shared by CHAMPUS, (iii) charging to CHAMPUS, directly or indirectly, costs not incurred or not reasonably allowable to the services billed or claimed under CHAMPUS, for example, costs attributable to nonprogram activities, other enterprises, or the personal expenses of principals, or (iv) billing or submitting claim on a fee-for-service basis when in fact a personal service to a specific patient was not performed and the service rendered is part of the overall management of, for example, the laboratory or x-ray department.

(3) Breach of a provider participation agreement which results in the beneficiary (including parent, guardian, or other representative) being billed for amounts which exceed the CHAMPUS-determined allowable charge or cost.

(4) Billings or CHAMPUS claims for supplies or equipment which are clearly unsuitable for the patient's needs or are so lacking in quality or sufficiency for the purpose as to be virtually worthless.

(5) Billings or CHAMPUS claims which involve flagrant and persistent overutilization of services without proper regard for results, the patient's ailments, condition, medical needs, or the physician's orders.

(6) Misrepresentations of dates, frequency, duration, or description of

services rendered, or of the identity of the recipient of the services or the individual who rendered the services.

(7) Submitting falsified or altered CHAMPUS claims or medical or mental health patient records which misrepresent the type, frequency, or duration of services or supplies or misrepresent the name(s) of the individual(s) who provided the services or supplies.

(8) Duplicate billings or CHAMPUS claims. This includes billing or submitting CHAMPUS claims more than once for the same services, billing or submitting claims both to CHAMPUS and the beneficiary for the same services, or billing or submitting claims both to CHAMPUS and other third-parties (such as other health insurance or government agencies) for the same services, without making full disclosure of material facts or immediate, voluntary repayment or notification to CHAMPUS upon receipt of payments which combined exceed the CHAMPUS-determined allowable charge of the services involved.

(9) Misrepresentation by a provider of his or her credentials or concealing information or business practices which bear on the provider's qualifications for authorized CHAMPUS provider status. For example, a provider representing that he or she has a qualifying doctorate in clinical psychology when the degree is not from a regionally accredited university.

(10) Reciprocal billing. Billing or claiming services which were furnished by another provider or furnished by the billing provider in a capacity other than as billed or claimed. For example, practices such as the following: (i) One provider performing services for another provider and the latter bills as though he had actually performed the services (e.g., a weekend fill-in); (ii) providing service as an institutional employee and billing as a professional provider for the services; (iii) billing for professional services when the services were provided by another individual who was an institutional employee; (iv) billing for professional services at a higher provider profile than would be paid for the person actually furnishing the services, (for example, bills reflecting that an M.D. or Ph.D. performed the services when services were actually furnished by a licensed social worker, psychiatric nurse, or marriage and family counselor); or (v) an authorized provider billing for services which were actually furnished by an unauthorized or sanctioned provider.

(11) Submitting CHAMPUS claims at a rate higher than a rate established between CHAMPUS and the provider, if such a rate has been established. For example, billing or claiming a rate in excess of the provider's most favored rate limitation specified in a residential treatment center agreement.

(12) Arrangements by providers with employees, independent contractors, suppliers, or others which appear to be designed primarily to overcharge the CHAMPUS through various means (such as commissions, fee-splitting, and kickbacks) used to divert or conceal improper or unnecessary costs or profits.

(13) Agreements or arrangements between the supplier and recipient (recipient could be either a provider or beneficiary, including the parent, guardian, or other representative of the beneficiary) that result in billings or claims which include unnecessary costs or charges to CHAMPUS.

(d) *Conflict of Interest.* (1) Conflict of interest includes any situation where an active duty member of the Uniformed Services (including a reserve member while on active duty, active duty for training, or inactive duty training) or civilian employee of the United States Government, through an official federal position has the apparent or actual opportunity to exert, directly or indirectly, any influence on the referral of CHAMPUS beneficiaries to himself/herself or others with some potential for personal gain or the appearance of impropriety. Although individuals under contract to the Uniformed Services are not considered ''employees,'' such individuals are subject to conflict of interest provisions by express terms of their contracts and, for purposes of this part, may be considered to be involved in conflict of interest situations as a result of their contract positions. In any situation involving potential conflict of interest of a Uniformed Service employee, the Director, OCHAMPUS, or a designee, may refer the case to the Uniformed Service

concerned for appropriate review and action. If such a referral is made, a report of the results of findings and action taken shall be made to the Director, OCHAMPUS, by the Uniformed Service having jurisdiction within 90 days of receiving the referral.

(2) CHAMPUS cost-sharing shall be denied on any claim where a conflict of interest situation is found to exist. This denial of cost-sharing applies whether the claim is submitted by the individual who provided the care, the institutional provider in which the care was furnished, or the beneficiary.

(e) *Dual Compensation.* (1) Federal law (5 U.S.C. 5536) prohibits active duty members of the Uniformed Services or employees (including part-time or intermittent) appointed in the civil service of the United States Government from receiving additional compensation from the Government above their normal pay and allowances. This prohibition applies to CHAMPUS payments for care furnished to CHAMPUS beneficiaries by active duty members of the Uniformed Services or civilian employees of the Government.

(2) CHAMPUS cost-sharing of a claim shall be denied where the services or supplies were provided by an active duty member of the Uniformed Services or a civilian employee of the Government. This denial of CHAMPUS payment applies whether the claim for reimbursement is filed by the individual who provided the care, the institutional provider in which the care was furnished, or by the beneficiary.

NOTE: Physicians of the National Health Service Corps (NHSC) may be assigned to areas where there is a shortage of medical providers. Although these physicians would be prohibited from accepting CHAMPUS payments as individuals if they are employees of the United States Government, the private organizations to which they may be assigned may be eligible for payment, as determined by the Director, OCHAMPUS, or a designee.

(3) The prohibition against dual compensation does not apply to individuals under contract to the Uniformed Services or the Government.

(f) *Administrative Remedies.* Administrative remedies available under CHAMPUS in this section are set forth below.

(1) *Provider exclusion or suspension.* The Director, OCHAMPUS, or a designee, shall have the authority to exclude or suspend an otherwise authorized CHAMPUS provider from the program based on any criminal conviction or civil judgment involving fraud by the provider; fraud or abuse under CHAMPUS by the provider; exclusion or suspension of the provider by another agency of the Federal Government, a state, or local licensing authority; participation in a conflict of interest situation by the provider; or, when it is in the best interests of the program or CHAMPUS beneficiaries to exclude or suspend a provider under CHAMPUS. In all cases, the exclusion or suspension of a provider shall be effective 15 calendar days from the date on the written initial determination issued under paragraph (h)(2) of this section.

(i) *Criminal conviction or civil judgment involving fraud by a provider*—(A) *Criminal conviction involving CHAMPUS fraud.* A provider convicted by a Federal, state, foreign, or other court of competent jurisdiction of a crime involving CHAMPUS fraud, whether the crime is a felony or misdemeanor, shall be excluded or suspended from CHAMPUS for a period of time as determined by the Director, OCHAMPUS, or a designee. The CHAMPUS exclusion or suspension applies whether or not the provider, as a result of the conviction, receives probation or the sentence is suspended or deferred, and whether or not the conviction or sentence is under appeal.

NOTE: Under the above paragraph (f)(1)(i)(A) of this section, an entity may be excluded or suspended from CHAMPUS whenever the entity is found to have a person, convicted of a crime involving CHAMPUS fraud, who has a direct or indirect ownership or control interest (see § 199.2) of 5 percent or more in the entity, or is an officer, director, agent or managing employee of the entity. The entity will have an opportunity to provide evidence to show that the ownership or control relationship has ceased. While an entity will not be excluded or suspended from CHAMPUS for employing a provider who has been sanctioned under this Section, the entity will be denied CHAMPUS payment for any services furnished by the sanctioned employee. As an authorized CHAMPUS provider, the entity is responsible for ensuring that all CHAMPUS

claims involve services furnished to CHAMPUS beneficiaries by employees who meet all requirements under CHAMPUS for provider status.

(B) *Criminal conviction involving fraud of other Federal programs.* Any provider convicted by a Federal, state, or other court of competent jurisdiction of a crime involving another Federal health care or benefit program (such as plans administered under titles XVIII and XIX of the Social Security Act, Federal Workmen's Compensation, and the Federal Employees Program (FEP) for employee health insurance), whether the crime is a felony or misdemeanor, shall be excluded from CHAMPUS for a period of time as determined by the Director, OCHAMPUS, or a designee. The CHAMPUS exclusion or suspension applies whether or not the provider, as a result of the conviction, receives probation or the sentence is suspended or deferred, and whether or not the conviction or sentence is under appeal.

(C) *Criminal conviction involving fraud of non-Federal programs.* Any provider convicted by a Federal, state, foreign, or other court of competent jurisdiction of a crime involving any non-Federal health benefit program or private insurance involving health benefits may be excluded or suspended from CHAMPUS for a period of time as determined by the Director, OCHAMPUS, or a designee.

(D) *Civil fraud involving CHAMPUS.* If a judgment involving civil fraud has been entered (whether or not it is appealed) against a provider in a civil action involving CHAMPUS benefits (whether or not other Federal programs are involved), the provider shall be excluded or suspended from CHAMPUS for a period determined by the Director, OCHAMPUS, or a designee.

(E) *Civil fraud involving other programs.* If a judgment involving civil fraud has been entered against a provider (whether or not it has been appealed) in a civil action involving other public or private health care programs or health insurance, the provider may be excluded or suspended for a period of time determined by the Director, OCHAMPUS, or a designee.

(ii) *Administrative determination of fraud or abuse under CHAMPUS.* If the Director, OCHAMPUS, or a designee, determines that a provider has committed fraud or abuse as defined in this part, the provider shall be excluded or suspended from CHAMPUS for a period of time determined by the Director, OCHAMPUS, or designee.

(iii) *Administrative determination that the provider has been excluded or suspended by another agency of the Federal Government, a state, or local licensing authority.* Any provider who is excluded or suspended by any other Federal health care program (for example, Medicare), shall be excluded or suspended under CHAMPUS. A provider who has his/her credentials revoked through a Veterans Administration or Military Department credentials review process and who is excluded, suspended, terminated, retired, or separated, shall also be excluded or suspended under CHAMPUS. The period of time of exclusion or suspension shall be determined by the Director, OCHAMPUS, or a designee, pursuant to paragraph (g) of this section.

(iv) *Administrative determination that the provider has participated in a conflict of interest situation.* The Director, OCHAMPUS, or a designee, may exclude or suspend any provider who has knowingly been involved in a conflict of interest situation under CHAMPUS. The period of time of exclusion or suspension shall be determined by the Director, OCHAMPUS, or a designee, pursuant to paragraph (g) of this section. For purposes of this administrative determination, it will be presumed that a CHAMPUS provider knowingly participated in a conflict of interest situation if the provider employs, in the treatment of a CHAMPUS beneficiary (resulting in a CHAMPUS claim), any medical personnel who are active duty members of the Uniformed Services or civilian employees of the Government. The burden of proof to rebut this presumption rests with the CHAMPUS provider. Two exceptions will be recognized to the presumption that a conflict of interest exists. First, indirect CHAMPUS payments may be made to private organizations to which physicians of the National Health Service Corps (NHSC) are assigned. Second, any off-duty Government medical personnel employed in an emergency room

of an acute care hospital will be presumed not to have had the opportunity to exert, directly or indirectly, any influence on the referral of CHAMPUS beneficiaries; therefore, CHAMPUS payments may be made to the employing hospital *provided* the medical care was not furnished directly by the off-duty Government medical personnel in violation of dual compensation provisions.

(v) *Administrative determination that it is in the best interests of the CHAMPUS or CHAMPUS beneficiaries to exclude or suspend a provider*—(A) *Unethical or improper practices or unprofessional conduct.* (*1*) In most instances, unethical or improper practices or unprofessional conduct by a provider will be program abuse and subject the provider to exclusion or suspension for abuse. However, in some cases such practices and conduct may provide an independent basis for exclusion or suspension of the provider by the Director, OCHAMPUS, or a designee.

(*2*) Such exclusions or suspensions may be based on findings or recommendations of state licensure boards, boards of quality assurance, other regulatory agencies, state medical societies, peer review organizations, or other professional associations.

(B) *In any other case in which the Director, OCHAMPUS (or designee), determines that exclusion or suspension of a provider is in the best interests of CHAMPUS or CHAMPUS beneficiaries.* The Director, OCHAMPUS, or a designee, may exclude or suspend any provider if it is determined that the authorization of that particular provider under CHAMPUS poses an unreasonable potential for fraud, abuse, or professional misconduct. Any documented misconduct by the provider reflecting on the business or professional competence or integrity of the provider may be considered. Situations in which the Director, OCHAMPUS, or a designee, may take administrative action under this Section to protect CHAMPUS or CHAMPUS beneficiaries include, but are not limited to, a case in which it is determined that a provider poses an unreasonable potential cost to the Government to monitor the provider for fraud or abuse and to avoid the issuance of erroneous payments; or that the provider poses an unreasonable potential harm to the financial or health status of CHAMPUS beneficiaries; or that the provider poses any other unreasonable threat to the interests of CHAMPUS or CHAMPUS beneficiaries. One example of such circumstances involves a provider who, for his/her entire practice or for most of his/her practice, provides or bills for tratment that is not a CHAMPUS benefit, resulting in CHAMPUS frequently and repeatedly denying claims as non-covered services. This may occur when a professional provider furnishes sex therapy (a therapy which may be recognized by the provider's licensing authority but which is excluded from CHAMPUS coverage) and repeatedly submits CHAMPUS claims for the services.

(2) *Provider termination.* The Director, OCHAMPUS, or a designee, shall terminate the provider status of any provider determined not to meet the qualifications established by this part to be an authorized CHAMPUS provider.

(i) *Effective date of termination.* Except as provided in paragraph (g)(2)(ii) of this section, the termination shall be retroactive to the date on which the provider did not meet the requirements of this part.

(A) The retroactive effective date of termination shall not be limited due to the passage of time, erroneous payment of claims, or any other events which may be cited as a basis for CHAMPUS recognition of the provider notwithstanding the fact that the provider does not meet program qualifications. Unless specific provision is made in this part to ''grandfather'' or authorize a provider who does not otherwise meet the qualifications established by this part, all unqualified providers shall be terminated.

(B) Any claims cost-shared or paid under CHAMPUS for services or supplies furnished by the provider on or after the effective date of termination, even when the effective date is retroactive, shall be deemed an erroneous payment unless specific exception is provided in this part. All erroneous payments are subject to collection under § 199.11 of this part.

(C) If an institution is terminated as an authorized CHAMPUS provider, the institution shall immediately give written notice of the termination to any CHAMPUS beneficiary (or their parent, guardian, or other representative) admitted to, or receiving care at, the institution on or after the effective date of the termination. In addition, when an institution is terminated with an effective date of termination after the date of the initial determination terminating the provider, any beneficiary admitted to the institution prior to the effective date of termination (or their parent, guardian, or other representative) shall be notified by the Director, OCHAMPUS, or a designee, by certified mail of the termination, and that CHAMPUS cost-sharing of the beneficiary's care in the institution will cease as of the effective date of the termination. However, any beneficiary admitted to the institution prior to any grace period extended to the institution under paragraph (f)(2)(ii)(A) of this section shall be advised that, if the beneficiary's care otherwise qualifies for CHAMPUS coverage, CHAMPUS cost-sharing of the care in the institution will continue in order to provide a reasonable period of transition of care; however the transitional period of CHAMPUS cost-sharing shall not exceed the last day of the month following the month in which the institution's status as a CHAMPUS provider is terminated. (This authorized CHAMPUS cost-sharing of the inpatient care received during the transition period is an exception to the general rule that CHAMPUS payment for care furnished after the effective date of termination of the provider's status shall be deemed to be an erroneous payment.) If a major violation under paragraph (f)(2)(ii)(B) of this section is involved, in order to ensure immediate action is taken to transfer beneficiaries to an approved provider, CHAMPUS cost-sharing shall not be authorized after the effective date of termination of the provider's status.

(ii) *Institutions not in compliance with CHAMPUS standards.* If it is determined that an institution is not in compliance with one or more of the standards applicable to its specific category of institution under this part, the Director, OCHAMPUS, or a designee, shall take immediate steps to bring about compliance or terminate the status of the provider as an authorized CHAMPUS provider.

(A) *Minor violations.* An institution determined to be in violation of one or more of the standards shall be advised by certified mail of the nature of the discrepancy or discrepancies and will be given a grace period of 30 days to effect appropriate corrections. The grace period may be extended at the discretion of the Director, OCHAMPUS, or a designee, but in no event shall the extension exceed 90 days.

(*1*) CHAMPUS will not cost-share a claim for any beneficiary admitted during the grace period.

(*2*) Any beneficiary admitted to the institution prior to the grace period (or the beneficiary's parent, guardian, or other representative) will be notified by the Director, OCHAMPUS, or a designee, in writing, of the minor violations and the grace period granted the institution to correct the violations. The beneficiary will also be advised that, if the beneficiary's care otherwise meets all requirements for CHAMPUS coverage, CHAMPUS cost-sharing will continue during the grace period.

(*3*) If the institution submits written notice before the end of the grace period that corrective action has been taken *and* if the Director, OCHAMPUS, or a designee, determines that the corrective action has eliminated the minor violations, the provider will be advised that the institution is restored to full status as an authorized CHAMPUS provider as of 12:01 a.m. on the day written notice of correction was received by the Director, OCHAMPUS, or a designee, or the day on which acceptable corrective action was completed in the judgment of the Director, OCHAMPUS, or a designee. Any beneficiary admitted to the institution prior to the grace period will be notified by the Director, OCHAMPUS, or a designee, of the corrective action and that the provider continues to be an authorized CHAMPUS provider. CHAMPUS cost-sharing for any beneficiary admitted to the institution during the grace period shall be allowed only for care received after 12:01 a.m. on the day written notice of correction

was received by the Director, OCHAMPUS, or a designee, or the day on which acceptable corrective action was completed in the judgment of the Director, OCHAMPUS, or a designee.

(*4*) If the institution has failed to give notification in writing before the end of the grace period that corrective action has been completed *or,* in the judgment of the Director, OCHAMPUS, or a designee, the institution has not completed acceptable corrective action during the grace period, the Director, OCHAMPUS, or a designee, may initiate action to terminate the provider as an authorized CHAMPUS provider.

(B) *Major violations.* If the Director, OCHAMPUS, or a designee, determines that an institution is in violation of standards detrimental to life, safety, or health, or substantially in violation of approved treatment programs, immediate action shall be taken to terminate the institution as an authorized CHAMPUS provider. The institution shall be notified by telegram, certified mail, or express mail of the termination under this subparagraph, effective on receipt of the notice. The notice shall include a brief statement of the nature of violations resulting in the termination and advise the institution that an initial determination formalizing the administrative action of termination will be issued pursuant to paragraph (h)(3)(ii) of this section within 15 days.

(3) *Beneficiary sanctions.* (i) With entitlement to CHAMPUS benefits based on public law, an eligible beneficiary will not be suspended or excluded from CHAMPUS. However, the Director, OCHAMPUS, or a designee, may take action deemed appropriate and reasonable to protect the Government from those beneficiaries (including sponsors, parents, guardians, or representatives of beneficiaries) who have submitted false claims.

(ii) Pursuant to § 199.11 of this part, the Director, OCHAMPUS, or a designee, may recover erroneous payments on claims involving fraud or false or misleading statements. Remedies for recovery of the erroneous payments include the use of offset against future CHAMPUS payments.

(iii) Under policies adopted by the Director, OCHAMPUS, or a designee, individuals who, based on reliable information, have previously submitted fraudulent or false CHAMPUS claims, may be required to comply with any procedures (e.g., partial or total prepayment audit or review, restriction to a designated primary care provider, etc.) which the Director, OCHAMPUS, or a designee, deems appropriate to ensure that their future medical care and CHAMPUS claims (including the medical care and CHAMPUS claims submitted by or for members of their family) are valid.

(g) *Period of exclusion, suspension, or termination*—(1) *Exclusions or suspensions.* Except as otherwise required by paragraph (g)(1)(i) of this section, the Director, OCHAMPUS, or a designee, shall determine the period of exclusion or suspension for a provider using the factors set forth in paragraph (g)(1)(ii) of this section.

(i) *Exclusion or suspension of a provider based on the provider's exclusion or suspension by another agency of the Federal Government, a state, or a local licensing authority.* If the administrative action under CHAMPUS is based *solely* on the provider's exclusion or suspension by another agency, state, or local licensing authority, the period of exclusion or suspension under CHAMPUS shall be for the same length of time of exclusion or suspension imposed by the other agency, state, or local licensing authority. The provider may request reinstatement as an authorized CHAMPUS provider if reinstatement is achieved under the other program prior to the end of the period of exclusion or suspension. If the administrative action under CHAMPUS is not based *solely* on the provider's exclusion or suspension by another agency, state, or local licensing authority, the minimum period of exclusion or suspension shall be for the same period of exclusion or suspension imposed by the other agency, state, or local licensing authority.

(ii) *Factors to be considered in determining the period of exclusion or suspension of providers under CHAMPUS.* In determining the period of exclusion or suspension of a provider, the Director, OCHAMPUS, or a designee, may consider any or all of the following:

(A) When the case concerns all or any part of the same issues which have been the subject of criminal conviction or civil judgment involving fraud by a provider:

(*1*) The period(s) of sentence, probation, and other sanction imposed by court order against the provider may be presumed reasonable and adopted as the administrative period of exclusion or suspension under CHAMPUS, unless aggravating or mitigating factors exist.

(*2*) If any aggravating factors exist, then cause exists for the Director, OCHAMPUS, or a designee, to consider the factors set forth in paragraph (g)(1)(ii)(B) of this section, in imposing a period of administrative exclusion or suspension in excess of the period(s) of sentence, probation, and/or other sanctions imposed by court order. Examples of aggravating factors include, but are not limited to:

(*i*) An administrative determination by the Director, OCHAMPUS, or a designee, that the basis for administrative exclusion or suspension includes an act(s) of fraud or abuse under CHAMPUS in addition to, or unrelated to, an act(s) of fraud included in the court conviction or civil judgment.

(*ii*) The fraudulent act(s) involved in the criminal conviction or civil judgment, or similar acts, were committed over a significant period of time; that is, one year or more.

(*iii*) The act(s) of fraud or abuse had an adverse physical, mental, or financial impact on one or more CHAMPUS beneficiaries.

(*iv*) The loss or potential loss to CHAMPUS is over $5,000. The entire amount of loss or potential loss to CHAMPUS due to acts of fraud and abuse will be considered, in addition to the amount of loss involved in the court conviction or civil judgment, regardless of whether full or partial restitution has been made to CHAMPUS.

(*v*) The provider has a prior court record, criminal or civil, or administrative record or finding of fraud or abuse.

(*3*) If any mitigating factors exist, then cause may exist for the Director, OCHAMPUS, or a designee, to reduce a period of administrative exclusion or suspension from any period(s) imposed by court conviction or civil judgment. Only the existence of either of the following two factors may be considered in mitigation:

(*i*) The criminal conviction or civil judgment only involved three or fewer misdemeanor offenses, and the total of the estimated losses incurred (including any loss from act(s) not involved in the conviction or judgment) is less than $1,000, regardless of whether full or partial restitution has been made.

(*ii*) The criminal or civil court proceedings establish that the provider had a mental, emotional or physical condition, prior to or contemporaneous with the commission of the act(s), that reduced the provider's criminal or civil culpability.

(B) The Director, OCHAMPUS, or a designee, may consider the following factors in determining a reasonable period of exclusion or suspension of a provider under CHAMPUS:

(*1*) The nature of the claims and the circumstances under which they were presented;

(*2*) The degree of culpability;

(*3*) History of prior offenses (including whether claims were submitted while the provider was either excluded or suspended pursuant to prior administrative action);

(*4*) Number of claims involved;

(*5*) Dollar amount of claims involved;

(*6*) Whether, if a crime was involved, it was a felony or misdemeanor;

(*7*) If patients were injured financially, mentally, or physically; the number of patients; and the seriousness of the injury(ies);

(*8*) The previous record of the provider under CHAMPUS;

(*9*) Whether restitution has been made or arrangements for repayment accepted by the Government;

(*10*) Whether the provider has resolved the conflict of interest situations or implemented procedures acceptable to the Director, OCHAMPUS, or a designee, which will prevent conflict of interest in the future; and,

(*11*) Such other factors as may be deemed appropriate.

(2) *Terminations.* When a provider's status as an authorized CHAMPUS provider is ended, other than through exclusion or suspension, the termination is based on a finding that the provider

does not meet the qualifications to be an authorized provider, as set forth in this part. Therefore, the period of termination in all cases will be indefinite and will end only after the provider has successfully met the established qualifications for authorized provider status under CHAMPUS and has been reinstated under CHAMPUS. Except as otherwise provided in this subparagraph, the following guidelines control the termination of authorized CHAMPUS provider status for a provider whose license to practice (or, in the case of an institutional provider, to operate) has been temporarily or permanently suspended or revoked by the jurisdiction issuing the license.

(i) Termination of the provider under CHAMPUS shall continue even if the provider obtains a license to practice in a second jurisdiction during the period of suspension or revocation of the provider's license by the original licensing jurisdiction. A provider who has licenses to practice in two or more jurisdictions and has one or more license(s) suspended or revoked will also be terminated as a CHAMPUS provider.

(A) Professional providers shall remain terminated from the CHAMPUS until the jurisdiction(s) suspending or revoking the provider's license(s) to practice restores it or removes the impediment to restoration.

(B) Institutional providers shall remain terminated under CHAMPUS until their license is restored. In the event the facility is sold, transferred, or reorganized as a new legal entity, and a license issued under a new name or to a different legal entity, the new entity must submit an application to be an authorized CHAMPUS provider.

(ii) If the CHAMPUS provider status is terminated due to the loss of the provider's license, the effective date shall be retroactive to the date the provider lost the license; however, in the case of a professional provider who has licenses in two or more jurisdictions and submitted claims from a jurisdiction from which he/she had a valid license, the effective date of the termination will be 15 calendar days from the date of the written initial determination of termination for purposes of claims from the jurisdiction in which the provider still has a valid license.

(h) *Procedures for initiating and implementing the administrative remedies*—(1) *Temporary suspension of claims processing.* (i) In general, temporary suspension of claims processing may be invoked to protect the interests of the Government for a period reasonably necessary to complete investigation or appropriate criminal, civil, and administrative proceedings. The temporary suspension only delays the ultimate payment of otherwise appropriate claims. When claims processing involving a participating provider is temporarily suspended, the participation agreement remains in full force and the provider cannot repudiate the agreement because of the delay in the final disposition of the claim(s). Once it has been determined appropriate to end the temporary suspension of claims processing, CHAMPUS claims which were the subject of the suspension and which are otherwise determined to be in compliance with the requirements of law and regulation, will be processed to completion and payment *unless* such action is deemed inappropriate as a result of criminal, civil, or administrative remedies ultimately invoked in the case.

(ii) When adequate evidence exists to determine that a provider or beneficiary is submitting fraudulent or false claims or claims involving practices that may be fraud or abuse as defined by this part, the Director, OCHAMPUS, or a designee, may suspend CHAMPUS claims processing (in whole or in part) for claims submitted by the beneficiary or any CHAMPUS claims involving care furnished by the provider. The temporary suspension of claims processing for care furnished by a provider may be invoked against all such claims, whether or not the claims are submitted by the beneficiary or by the provider as a participating CHAMPUS provider. In cases involving a provider, notice of the suspension of claims processing may also be given to the beneficiary community either directly or indirectly through notice to appropriate military facilities, health benefit advisors, and the information or news media.

(A) Adequate evidence is any information sufficient to support the reasonable belief that a particular act or omission has occurred.

(B) Indictment or any other initiation of criminal charges, filing of a complaint for civil fraud, issuance of an administrative complaint under the Program Fraud Civil Remedies Act, or issuance of an initial determination under this part for submitting fraudulent or false claims or claims involving practices that may be fraud or abuse as defined by this part, shall constitute adequate evidence for invoking temporary suspension of claims processing.

(iii) The Director, OCHAMPUS, or a designee, may suspend CHAMPUS claims processing without first notifying the provider or beneficiary of the intent to suspend payments. Following a decision to invoke a temporary suspension, however, the Director, OCHAMPUS, or a designee, shall issue written notice advising the provider or beneficiary that:

(A) A temporary suspension of claims processing has been ordered and a statement of the basis of the decision to suspend payment. Unless the suspension is based on any of the actions set forth in paragraph (h)(1)(ii)(B) of this section, the notice shall describe the suspected acts or omissions in terms sufficient to place the provider or beneficiary on notice without disclosing the Government's evidence.

(B) Within 30 days (or, upon written request received by OCHAMPUS during the 30 days and for good cause shown, within 60 days) from the date of the notice, the provider or beneficiary may:

(*1*) Submit to the Director, OCHAMPUS, or a designee, in writing, information (including documentary evidence) and argument in opposition to the suspension, provided the additional specific information raises a genuine dispute over the material facts, or

(*2*) Submit a written request to present in person evidence or argument to the Director, OCHAMPUS, or a designee. All such presentations shall be made at the Office of Civilian Health and Medical Program of the Uniformed Services (OCHAMPUS) in Aurora, Colorado, at the provider's or beneficiary's own expense.

(C) Additional proceedings to determine disputed material facts may be conducted unless:

(*1*) The suspension is based on any of the actions set forth in paragraph (h)(1)(ii)(B) of this section, or,

(*2*) A determination is made, on the basis of the advice of the responsible Government official (e.g., an official of the Department of Justice, the designated Reviewing Official under the Program Fraud Civil Remedies Act, etc.), that the substantial interests of the Government in pending or contemplated legal or administrative proceedings based on the same facts as the suspension would be prejudiced.

(iv) If the beneficiary or provider submits, either in writing or in person, additional information or argument in opposition to the suspension, the Director, OCHAMPUS, or a designee, shall issue a suspending official's decision which modifies, terminates, or leaves in force the suspension of claims processing. However, a decision to terminate or modify the suspension shall be without prejudice to the subsequent imposition of suspension of claims processing, imposition of sanctions under this § 199.9, the recovery of erroneous payments under § 199.11 of this part, or any other administrative or legal action authorized by law or regulation. The suspending official's decision shall be in writing as follows:

(A) A written decision based on all the information in the administrative record, including any submission by the beneficiary or provider, shall be final in a case:

(*1*) Based on any of the actions set forth in paragraph (h)(1)(ii)(B) of this section,

(*2*) In which the beneficiary's or provider's submission does not raise a genuine dispute over material facts, or

(*3*) In which additional proceedings to determine disputed material facts have been denied on the basis of advice of a responsible Government official that the substantial interests of the Government in pending or contemplated legal or administrative proceedings would be prejudiced.

(B) In a case in which additional proceedings are necessary as to disputed material facts, the suspending official's decision shall advise the beneficiary or

provider that the case has been referred for handling as a hearing under § 199.10 of this part.

(v) A suspension of claims processing may be modified or terminated for reasons such as:

(A) Newly discovered evidence;

(B) Elimination of any of the causes for which the suspension was invoked; or

(C) Other reasons the Director, OCHAMPUS, or a designee, deems appropriate.

(vi) A suspension of claims processing shall be for a temporary period pending the completion of investigation and any ensuing legal or administrative proceedings, unless sooner terminated by the Director, OCHAMPUS, or a designee, or as provided in this subparagraph.

(A) If legal or administrative proceedings are not initiated within 12 months after the date of the suspension notice, the suspension shall be terminated unless the Government official responsible for initiation of the legal or administrative action requests its extension, in which case it may be extended for an additional 6 months. In no event may a suspension extend beyond 18 months, unless legal or administrative proceedings have been initiated during that period.

(B) The Director, OCHAMPUS, or a designee, shall notify the Government official responsible for initiation of the legal or administrative action of the proposed termination of the suspension, at least 30 days before the 12-month period expires, to give the official an opportunity to request an extension.

(2) *Notice of proposed administrative sanction.* (i) A provider shall be notified in writing of the proposed action to exclude, suspend, or terminate the provider's status as an authorized CHAMPUS provider.

(A) The notice shall state which sanction will be taken and the effective date of that sanction as determined in accordance with the provisions of this part.

(B) The notice shall inform the provider of the situation(s), circumstance(s), or action(s) which form the basis for the proposed sanction and reference the paragraph of this part under which the administrative action is being taken.

(C) The notice will be sent to the provider's last known business or office address (or home address if there is no known business address.)

(D) The notice shall offer the provider an opportunity to respond within 30 days (or, upon written request received by OCHAMPUS during the 30 days and for good cause shown, within 60 days) from the date on the notice with either:

(*1*) Documentary evidence and written argument contesting the proposed action; or,

(*2*) A written request to present in person evidence or argument to the Director, OCHAMPUS, or a designee. All such presentations shall be made at the Office of the Civilian Health and Medical Program of the Uniformed Services (OCHAMPUS) in Aurora, Colorado, at the provider's own expense.

(3) *Initial determination.* (i) If, after the provider has exhausted, or failed to comply with, the procedures specified in paragraph (h)(2) of this section, the Director, OCHAMPUS, or a designee, decides to invoke an administrative remedy of exclusion, suspension, or termination of a provider under CHAMPUS, written notice of the decision will be sent to the provider by certified mail. Except in those cases where the sanction has a retroactive effective date, the written notice shall be dated no later than 15 days before the decision becomes effective. For terminations under paragraph (f)(2)(ii)(B) of this section, the initial determination may be issued without first implementing or exhausting the procedures specified in paragraph (h)(2) of this section.

(ii) The initial determination shall include:

(A) A statement of the sanction being invoked;

(B) A statement of the effective date of the sanction;

(C) A statement of the facts, circumstances, or actions which form the basis for the sanction and a discussion of any information submitted by the provider relevant to the sanction;

(D) A statement of the factors considered in determining the period of sanction;

(E) The earliest date on which a request for reinstatement under CHAMPUS will be accepted;

(F) The requirements and procedures for reinstatement; and,

(G) Notice of the available hearing upon request of the sanctioned provider.

(4) *Reinstatement procedures*—(i) *Restitution.* (A) There is no entitlement under CHAMPUS for payment (cost-sharing) of any claim that involves either criminal or civil fraud as defined by law, or fraud or abuse or conflict of interest as defined by this part. In addition, except as specifically provided in this part, there is no entitlement under CHAMPUS for payment (cost-sharing) of any claim for services or supplies furnished by a provider who does not meet the requirements to be an authorized CHAMPUS provider. In any of the situations described above, CHAMPUS payment shall be denied whether the claim is submitted by the provider as a participating claim or by the beneficiary for reimbursement. If an erroneous payment has been issued in any such case, collection of the payment will be processed under § 199.11 of this part.

(B) If the Government has made erroneous payments to a provider because of claims involving fraud, abuse, or conflicts of interest, restitution of the erroneous payments shall be made before a request for reinstatement as a CHAMPUS authorized provider will be considered. Without restitution or resolution of the debt under § 199.11 of this part, a provider shall not be reinstated as an authorized CHAMPUS provider. This is not an appealable issue under § 199.10 of this part.

(C) For purposes of authorization as a CHAMPUS provider, a provider who is excluded or suspended under this § 199.9 and who submits participating claims for services furnished on or after the effective date of the exclusion or suspension is considered to have forfeited or waived any right or entitlement to bill the beneficiary for the care involved in the claims. Similarly, because a provider is expected to know the CHAMPUS requirements for qualification as an authorized provider, any participating provider who fails to meet the qualification requirements for CHAMPUS is considered to have forfeited or waived any right or entitlement to bill the beneficiary for the care involved in the CHAMPUS claims. If, in either situtation, the provider bills the beneficiary, restitution to the beneficiary may be required by the Director, OCHAMPUS, or a designee, as a condition for consideration of reinstatement as a CHAMPUS authorized provider.

(ii) *Terminated providers.* A terminated provider who subsequently achieves the minimum qualifications to be an authorized CHAMPUS provider or who has had his/her license reinstated or the impediment to reinstatement removed by the appropriate licensing jurisdiction may submit a written request for reinstatement under CHAMPUS to the Director, OCHAMPUS, or a designee. If restitution or proper reinstatement of license is not at issue, the Director, OCHAMPUS, or a designee, will process the request for reinstatement under the procedures established for initial requests for authorized CHAMPUS provider status.

(iii) *Providers (other than entities) excluded or suspended under CHAMPUS.* (A) A provider excluded or suspended from CHAMPUS (other than an entity excluded under § 199.9(f)(1)(i)) may seek reinstatement by submitting a written request to the Director, OCHAMPUS, or a designee, any time after the date specified in the notice of exclusion or suspension or any earlier date specified in an appeal decision issued in the provider's appeal under § 199.10 of this part. The request for reinstatement shall include:

(*1*) Documentation sufficient to establish the provider's qualifications under this part to be a CHAMPUS authorized provider;

(*2*) A statement from the provider setting forth the reasons why the provider should be reinstated, accompanied by written statements from professional associates, peer review bodies, and/or probation officers (if appropriate), attesting to their belief that the violations that led to exclusion or suspension will not be repeated.

(B) A provider entity excluded from CHAMPUS under § 199.9(f)(1)(i) may seek reinstatement by submitting a

written request to the Director, OCHAMPUS, or a designee, with documentation sufficient to establish the provider's qualifications under this part to be a CHAMPUS authorized provider and either:

(*1*) Documentation showing the CHAMPUS reinstatement of the excluded individual provider whose conviction led to the CHAMPUS exclusion or suspension of the provider entity; *or*

(*2*) Documentation acceptable to the Director, OCHAMPUS, or a designee, that shows that the individual whose conviction led to the entity's exclusion:

(*i*) Has reduced his or her ownership or control interest in the entity below 5 percent; or

(*ii*) Is no longer an officer, director, agent or managing employee of the entity; or

(*iii*) Continues to maintain a 5 percent or more ownership or control interest in such entity, and that the entity due to circumstances beyond its control, is unable to obtain a divestiture.

NOTE: Under paragraph (h)(4)(iii)(B)(*2*) of this section, the request for reinstatement may be submitted any time prior to the date specified in the notice of exclusion or suspension or an earlier date specified in the appeal decision issued under § 199.10 of this part.

(iv) *Action on request for reinstatement.* In order to reinstate a provider as a CHAMPUS authorized provider, the Director, OCHAMPUS, or a designee, must determine that:

(A) The provider meets all requirements under this part to be an authorized CHAMPUS provider;

(B) No additional criminal, civil, or administrative action has been taken or is being considered which could subject the provider to exclusion, suspension, or termination under this section;

(C) In the case of a provider entity, verification has been made of the divestiture or termination of the owner, controlling party, officer, director, agent or managing employee whose conviction led to the entity's exclusion, *or* that the provider entity should be reinstated because the entity, due to circumstances beyond its control, cannot obtain a divestiture of the 5 percent or more ownership or controlling interest by the convicted party.

(v) *Notice of action on request for reinstatement*—(A) *Notice of approval of request.* If the Director, OCHAMPUS, or a designee, approves the request for reinstatement, he or she will:

(*1*) Give written notice to the sanctioned party specifying the date when the authorized provider status under CHAMPUS may resume; and

(*2*) Give notice to those agencies and groups that were originally notified, in accordance with § 199.9(k), of the imposition of the sanction. General notice may also be given to beneficiaries and other parties as deemed appropriate by the Director, OCHAMPUS, or a designee.

(B) *Notice of denial of request.* If the Director, OCHAMPUS, or a designee, does not approve the request for reinstatement, written notice will be given to the provider. If established procedures for processing initial requests for authorized provider status are used to review the request for reinstatement, the established procedures may be used to provide the notice that the provider does not meet requirements of this part for such status. If the provider continues to be excluded, suspended, or terminated under the provisions of this section, the procedures set forth in this paragraph (h) may be followed in denying the provider's request for reinstatement.

(5) *Reversed or vacated convictions or civil judgments involving CHAMPUS fraud.* (i) If a CHAMPUS provider is excluded or suspended *solely* on the basis of a criminal conviction or civil judgment involving a CHAMPUS fraud and the conviction or judgment is reversed or vacated on appeal, CHAMPUS will void the exclusion of a provider. Such action will not preclude the initiation of additional independent administrative action under this section or any other administrative remedy based on the same facts or events which were the subject of the criminal conviction or civil judgment.

(ii) If an exclusion is voided under paragraph (h)(5)(i) of this section, CHAMPUS will make payment, either to the provider or the beneficiary (if the claim was not a participating

claim) for otherwise authorized services under CHAMPUS that are furnished or performed during the period of exclusion.

(iii) CHAMPUS will also void the exclusion of any entity that was excluded under § 199.9(f)(1)(i) based *solely* on an individual's conviction that has been reversed or vacated on appeal.

(iv) When CHAMPUS voids the exclusion of a provider or an entity, notice will be given to the agencies and others that were originally notified, in accordance with § 199.9(k).

(i) *Evidence required for determinations to invoke administrative remedies*—(1) *General.* Any relevant evidence may be used by the Director, OCHAMPUS, or a designee, if it is the type of evidence on which reasonable persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule that might make improper the admission of such evidence over objection in civil or criminal courts.

(2) *Types of evidence.* The types of evidence which the Director, OCHAMPUS, or a designee, may rely on in reaching a determination to invoke administrative remedies under this section include but are not limited to the following:

(i) Results of audits conducted by or on behalf of the Government. Such audits can include the results of 100 percent review of claims and related records or a statistically valid sample audit of the claims or records. A statistical sampling shall constitute *prima facie* evidence of the number and amount of claims and the instances of fraud, abuse, or conflict of interest.

(ii) Reports, including sanction reports, from various sources including a peer review organization (PRO) for the area served by the provider; state or local licensing or certification authorities; peer or medical review consultants of the Government, including consultants for Government contractors; state or local professional societies; or other sources deemed appropriate by the Director, OCHAMPUS, or a designee.

(iii) Orders or documents issued by Federal, state, foreign, or other courts of competent jurisdiction which issue findings and/or criminal convictions or civil judgments involving the provider, and administrative rulings, findings, or determinations by any agency of the Federal Government, a state, or local licensing or certification authority regarding the provider's status with that agency or authority.

(j) *Suspending Administrative Action.* (1) All or any administrative action may be suspended by the Director, OCHAMPUS, or a designee, pending action in the case by the Department of Defense—Inspector General, Defense Criminal Investigative Service, or the Department of Justice (including the responsible United States Attorney). However, action by the Department of Defense—Inspector General or the Department of Justice, including investigation, criminal prosecution, or civil litigation, does not preclude administrative action by OCHAMPUS.

(2) The normal OCHAMPUS procedure is to suspend action on the administrative process pending an investigation by the Department of Defense—Inspector General or final disposition by the Department of Justice.

(3) Though OCHAMPUS administrative action is taken independently of any action by the Department of Defense-Inspector General or by the Department of Justice, once a case is forwarded to the Department of Defense-Inspector General or the Department of Justice for legal action (criminal or civil), administrative action may be held in abeyance.

(4) In some instances there may be dual jurisdiction between agencies; as in, for example, the joint regulations issued by the Department of Justice and the Government Accounting Office regarding debt collection.

(k) *Notice to Other Agencies.* (1) When CHAMPUS excludes, suspends, or terminates a provider, the Director, OCHAMPUS, or a designee, will notify other appropriate agencies (for example, the Department of Health and Human Services and the state licensing agency that issued the provider's license to practice) that the individual has been excluded, suspended, or terminated as an authorized provider under CHAMPUS. An exclusion, suspension, or termination action is considered a public record. Such notice can include the notices and determinations sent to

the suspended provider and other public documents such as testimony given at a hearing or exhibits or depositions given in a lawsuit or hearing. Notice may also be given to Uniformed Services Military Treatment Facilities, Health Benefit Advisors, beneficiaries and sponsors, the news media, and institutional providers if inpatient care was involved.

(2) If CHAMPUS has temporarily suspended claims processing, notice of such action normally will be given to the affected provider and Uniformed Services Medical Treatment Facilities, Health Benefits Advisors, beneficiaries, and sponsors. Notice may also be given to any information or news media and any other individual, professional provider, or institutional provider, as deemed appropriate. However, since a ''temporary suspension of claims processing'' is by definition not a final or formal agency action, the basis for the action generally will not be disclosed. It is noted that the basis for the action can be a result of questions arising from routine audits to investigation of possible criminal violations.

(l) *Compromise, Settlement, and Resolution Authority.* (1) In lieu of invoking any remedy provided by this Section, the Director, OCHAMPUS, or a designee, may elect to enter into an agreement with the provider intended to correct the situation within an established time period and subject to any remedies deemed appropriate by the Director, OCHAMPUS, or a designee.

(2) When it is in the best interest of CHAMPUS, the Director, OCHAMPUS, has the discretionary authority to waive an action or enter into compromise or settlement of administrative actions taken under this §199.9.

[54 FR 25246, June 14, 1989]

§199.10 Appeal and hearing procedures.

(a) *General.* This Section sets forth the policies and procedures for appealing decisions made by OCHAMPUS, OCHAMPUSEUR, and CHAMPUS contractors adversely affecting the rights and liabilities of CHAMPUS beneficiaries, CHAMPUS participating providers, and providers denied the status of authorized provider under CHAMPUS. An appeal under CHAMPUS is an administrative review of program determinations made under the provisions of law and regulation. An appeal cannot challenge the propriety, equity, or legality of any provision of law or regulation.

(1) *Initial determination.* (i) *Notice of initial determination and right to appeal.* (A) OCHAMPUS, OCHAMPUSEUR, and CHAMPUS contractors shall mail notices of initial determinations to the affected provider or CHAMPUS beneficiary (or representative) at the last known address. For beneficiaries who are under 18 years of age or who are incompetent, a notice issued to the parent, guardian, or other representative, under established CHAMPUS procedures, constitutes notice to the beneficiary.

(B) CHAMPUS contractors and OCHAMPUSEUR shall notify a provider of an initial determination on a claim only if the provider participated in the claim. (See §199.7 of this part.)

(C) CHAMPUS peer review organizations shall notify providers and fiscal intermediaries of a denial determination on a claim.

(D) Notice of an initial determination on a claim processed by a CHAMPUS contractor or OCHAMPUSEUR normally will be made on a CHAMPUS Explanation of Benefits (CEOB) form.

(E) Each notice of an initial determination on a request for benefit authorization, a request by a provider for approval as an authorized CHAMPUS provider, or a decsion to disqualify or exclude a provider as an authorized provider under CHAMPUS shall state the reason for the determination and the underlying facts supporting the determination.

(F) In any case when the initial determination is adverse to the beneficiary or participating provider, or to the provider seeking approval as an authorized CHAMPUS provider, the notice shall include a statement of the beneficiary's or provider's right to appeal the determination. The procedure for filing the appeal also shall be explained.

(ii) *Effect of initial determination.* The initial determination is final unless appealed in accordance with this chapter, or unless the initial determination is

reopened by OCHAMPUS, the CHAMPUS contractor, or the CHAMPUS peer review organization.

(2) *Participation in an appeal.* Participation in an appeal is limited to any party to the initial determination, including CHAMPUS, and authorized representatives of the parties. Any party to the initial determination, except CHAMPUS, may appeal an adverse determination. The appealing party is the party who actually files the appeal.

(i) *Parties to the initial determination.* For purposes of the CHAMPUS appeals and hearing procedures, the following are not parties to an initial determination and are not entitled to administrative review under this section.

(A) A provider disqualified or excluded as an authorized provider under CHAMPUS based on a determination of abuse or fraudulent practices or procedures under another Federal or federally funded program is not a party to the CHAMPUS action and may not appeal under this section.

(B) A beneficiary who has an interest in receiving care or has received care from a particular provider cannot be an appealing party regarding the exclusion, suspension, or termination of the provider under § 199.9 of this part.

(C) A sponsor or parent of a beneficiary under 18 years of age or guardian or an incompetent beneficiary is not a party to the initial determination and may not serve as the appealing party, although such persons may represent the appealing party in an appeal.

(D) A third party, such as an insurance company, is not a party to the initial determination and is not entitled to appeal even though it may have an indirect interest in the initial determination.

(E) A nonparticipating provider is not a party to the initial determination and may not appeal.

(ii) *Representative.* Any party to the initial determination may appoint a representative to act on behalf of the party in connection with an appeal. Generally, the parent of a minor beneficiary and the legally appointed guardian of an incompetent beneficiary shall be presumed to have been appointed representative without specific designation by the beneficiary. The custodial parent or legal guardian (appointed by a cognizant court) of a minor beneficiary may initiate an appeal based on the above presumption. However, should a minor beneficiary turn 18 years of age during the course of an appeal, then any further requests to appeal on behalf of the beneficiary must be from the beneficiary or pursuant to the written authorization of the beneficiary appointing a representative. For example, if the beneficiary is 17 years of age and the sponsor (who is a custodial parent) requests a formal review, absent written objection by the minor beneficiary, the sponsor is presumed to be acting on behalf of the minor beneficiary. Following the issuance of the formal review, the sponsor requests a hearing; however if, at the time of the request for a hearing, the beneficiary is 18 years of age or older, the request must either be by the beneficiary or the beneficiary must appoint a representative. The sponsor, in this example, could not pursue the request for hearing without being appointed by the beneficiary as the beneficiary's representative.

(A) The representative shall have the same authority as the party to the appeal and notice given to the representative shall constitute notice required to be given to the party under this part.

(B) To avoid possible conflicts of interest, an officer or employee of the United States, such as an employee or member of a Uniformed Service, including an employee or staff member of a Uniformed Service legal office, or a CHAMPUS advisor, subject to the exceptions in 18 U.S.C. 205, is not eligible to serve as a representative. An exception usually is made for an employee or member of a Uniformed Service who represents an immediate family member. In addition, the Director, OCHAMPUS, or designee, may appoint an officer or employee of the United States as the CHAMPUS representative at a hearing.

(3) *Burden of proof.* The burden of proof is on the appealing party to establish affirmatively by substantial

evidence the appealing party's entitlement under law and this part to the authorization of CHAMPUS benefits, approval of authorized CHAMPUS provider status, or removal of sanctions imposed under § 199.9 of this part. If a presumption exists under the provisions of this part or information constitutes *prima facie* evidence under the provisions of this part, the appealing party must produce evidence reasonably sufficient to rebut the presumption or *prima facie* evidence as part of the appealing party's burden of proof. CHAMPUS shall not pay any part of the cost or fee, including attorney fees, associated with producing or submitting evidence in support of an appeal.

(4) *Evidence in appeal and hearing cases.* Any relevant evidence may be used in the administrative appeal and hearing process if it is the type of evidence on which reasonable persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule that might make improper the admission of such evidence over objection in civil or criminal courts.

(5) *Late filing.* If a request for reconsideration, formal review, or hearings is filed after the time permitted in this section, written notice shall be issued denying the request. Late filing may be permitted only if the appealing party reasonably can demonstrate to the satisfaction of the Director, OCHAMPUS, or a designee, that the timely filing of the request was not feasible due to extraordinary circumstances over which the appealing party had no practical control. Each request for an exception to the filing requirement will be considered on its own merits. The decision of the Director, OCHAMPUS, or a designee, on the request for an exception to the filing requirement shall be final.

(6) *Appealable issue.* An appealable issue is required in order for an adverse determination to be appealed under the provisions of this section. Examples of issues that are not appealable under this section include:

(i) A dispute regarding a requirement of the law or regulation.

(ii) The amount of the CHAMPUS-determined allowable cost or charge, since the methodology for determining allowable costs or charges is established by this part.

(iii) The establishment of diagnosis-related groups (DRGs), or the methodology for the classification of inpatient discharges within the DRGs, or the weighting factors that reflect the relative hospital resources used with respect to discharges within each DRG, since each of these is established by this part.

(iv) Certain other issues on the basis that the authority for the initial determination is not vested in CHAMPUS. Such issues include but are not limited to the following examples:

(A) Determination of a person's eligibility as a CHAMPUS beneficiary is the responsibility of the appropriate Uniformed Service. Although OCHAMPUS, OCHAMPUSEUR, and CHAMPUS contractors must make determinations concerning a beneficiary's eligibility in order to ensure proper disbursement of appropriated funds on each CHAMPUS claim processed, ultimate responsibility for resolving a beneficiary's eligibility rests with the Uniformed Services. Accordingly, disputed question of fact concerning a beneficiary's eligibility will not be considered an appealable issue under the provisions of this section, but shall be resolved in accordance with § 199.3 of this part.

(B) Similarly, decisions relating to the issuance of a Nonavailability Statement (DD Form 1251) in each case are made by the Uniformed Services. Disputes over the need for a Nonavailability Statement or a refusal to issue a Nonavailability Statement are not appealable under this section. The one exception is when a dispute arises over whether the facts of the case demonstrate a medical emergency for which a Nonavailability Statement is not required. Denial of payment in this one situation is an appealable issue.

(C) Any sanction, including the period of the sanction, imposed under § 199.9 of this part which is based solely on a provider's exclusion or suspension by another agency of the Federal Government, a state, or a local licensing authority is not appealable under this section. The provider must exhaust administrative appeal rights offered by the other agency that made the initial determination to exclude or suspend

the provider. Similarly, any sanction imposed under § 199.9 which is based solely on a criminal conviction or civil judgment against the provider is not appealable under this section. If the sanction imposed under § 199.9 is not based solely on the provider's criminal conviction or civil judgment or on the provider's exclusion or suspension by another agency of the Federal Government, a state, or a local licensing authority, that portion of the CHAMPUS administrative determination which is in addition to the criminal conviction/civil judgment or exclusion/suspension by the other agency may be appealed under this section.

(v) A decision by the Director, OCHAMPUS, or a designee, as a suspending official when the decision is final under the provisions of § 199.9(h)(1)(iv)(A).

(7) *Amount in dispute.* An amount in dispute is required for an adverse determination to be appealed under the provisions of this section, except as set forth below.

(i) The amount in dispute is calculated as the amount of money CHAMPUS would pay if the services and supplies involved in dispute were determined to be authorized CHAMPUS benefits. Examples of amounts of money that are excluded by the Regulation from CHAMPUS payments for authorized benefits include, but are not limited to:

(A) Amounts in excess of the CHAMPUS-determined allowable charge or cost.

(B) The beneficiary's CHAMPUS deductible and cost-share amounts.

(C) Amounts that the CHAMPUS beneficiary, or parent, guardian, or other responsible person has no legal obligation to pay.

(D) Amounts excluded under the provisions of § 199.8 of this part.

(ii) The amount of dispute for appeals involving a denial of a request for authorization in advance of obtaining care shall be the estimated allowable charge or cost for the services requested.

(iii) There is no requirement for an amount in dispute when the appealable issue involves a denial of a provider's request for approval as an authorized CHAMPUS provider or the determination to exclude, suspend, or terminate a provider's authorized CHAMPUS provider status.

(iv) Individual claims may be combined to meet the required amount in dispute if all of the following exist:

(A) The claims involve the same beneficiary.

(B) The claims involve the same issue.

(C) At least one of the claims so combined has had a reconsideration decision issued by OCHAMPUSEUR, a CHAMPUS contractor, or a CHAMPUS peer review organization.

NOTE: A request for administrative review under this appeal process which involves a dispute regarding a requirement of law or regulation (paragraph (a)(6)(i) of this section) or does not involve a sufficient amount in dispute (paragraph (a)(7) of this section) may not be rejected at the reconsideration level of appeal. However, an appeal shall involve an appealable issue and sufficient amount in dispute under these paragraphs to be granted a formal review or hearing.

(8) *Levels of appeal.* The sequence and procedures of a CHAMPUS appeal vary, depending on whether the initial determination was made by OCHAMPUS, OCHAMPUSEUR, a CHAMPUS contractor, or a CHAMPUS peer review organization.

(i) *Appeal levels for initial determination made by OCHAMPUSEUR, CHAMPUS contractor, or CHAMPUS peer review organization.* (A) Reconsideration by OCHAMPUSEUR, CHAMPUS contractor, or CHAMPUS peer review organization.

(B) Formal review by OCHAMPUS (except for CHAMPUS peer review organization reconsiderations).

(C) Hearing.

(ii) *Appeal levels for initial determination made by OCHAMPUS.* (A) Reconsideration by OCHAMPUSEUR or CHAMPUS contractor.

(A) Formal review by OCHAMPUS *except* (*1*) initial determinations involving the suspension of claims processing where the Director, OCHAMPUS, or a designee, determines that additional proceedings are necessary as to disputed material facts and the suspending official's decision is not final under the provisions of § 199.9(h) (1)(iv)(A) or (*2*) initial determinations involving the sanctioning (exclusion, suspension, or termination) of CHAMPUS providers.

Initial determinations involving these matters shall be appealed directly to the hearing level.

(B) Hearing.

(9) *Appeal decision.* An appeal decision at any level may address all pertinent issues which arise under the appeal or are otherwise presented by the information in the case record (for example, the entire episode of care in the appeal), and shall not be limited to addressing the specific issue appealed by a party. In the case of sanctions imposed under § 199.9, the final decision may affirm, increase or reduce the sanction period imposed by CHAMPUS, or otherwise modify or reverse the imposition of the sanction.

(b) *Reconsideration.* Any part to the initial determination made by OCHAMPUSEUR, the CHAMPUS contractor, or a CHAMPUS peer review organization may request a reconsideration.

(1) *Requesting a reconsideration*—(i) *Written request required.* The request must be in writing, shall state the specific matter in dispute, and shall include a copy of the notice of initial determination (such as the CEOB form) made by OCHAMPUSEUR, the CHAMPUS contractor, or the CHAMPUS peer review organization.

(ii) *Where to file.* The request shall be submitted to the office that made the initial determination (i.e., OCHAMPUSEUR, the CHAMPUS contractor, or the CHAMPUS peer review organization) or any other CHAMPUS contractor designated in the notice of initial determination.

(iii) *Allowed time to file.* The request must be mailed within 90 days after the date of the notice of initial determination.

(iv) *Official filing date.* A request for a reconsideration shall be deemed filed on the date it is mailed and postmarked. If the request does not have a postmark, it shall be deemed filed on the date received by OCHAMPUSEUR, the CHAMPUS contractor or the CHAMPUS peer review organization.

(2) *The reconsideration process.* The purpose of the reconsideration is to determine whether the initial determination was made in accordance with law, regulation, policies, and guidelines in effect at the time the care was provided or requested, or at the time of the initial determination and/or reconsideration decision involving a provider request for approval as an authorized provider under CHAMPUS. The reconsideration is performed by a member of the OCHAMPUSEUR, CHAMPUS contractor, or CHAMPUS peer review organization staff who was not involved in making the initial determination and is a thorough and independent reveiw of the case. The reconsideration is based on the information submitted that led to the initial determination, plus any additional information that the appealing party may submit or OCHAMPUSEUR, the CHAMPUS contractor, or CHAMPUS peer review organization may obtain.

(3) *Timeliness of reconsideration determination.* OCHAMPUSEUR, the CHAMPUS contractor, or CHAMPUS peer review organization normally shall issue its reconsideration determination no later than 60 days from the date of receipt of the request for reconsideration by OCHAMPUSEUR, the CHAMPUS contractor, or the CHAMPUS peer review organization.

(4) *Notice of reconsideration determination.* OCHAMPUSEUR, the CHAMPUS contractor, or the CHAMPUS peer review organization shall issue a written notice of the reconsideration determination to the appealing party at his or her last known address. The notice of the reconsideration must contain the following elements:

(i) A statement of the issues or issue under appeal.

(ii) The provisions of law, regulation, policies, and guidelines that apply to the issue or issues under appeal.

(iii) A discussion of the original and additional information that is relevant to the issue or issues under appeal.

(iv) Whether the reconsideration upholds the initial determination or reverses it, in whole or in part, and the rationale for the action.

(v) A statement of the right to appeal further in any case when the reconsideration determination is less than fully favorable to the appealing party and the amount in dispute is $50 or more.

(5) *Effect of reconsideration determination.* The reconsideration determination is final if either of the following exist:

(i) The amount in dispute is less than $50.

(ii) Appeal rights have been offered, but a request for formal review is not received by OCHAMPUS within 60 days of the date of the notice of the reconsideration determination.

(c) *Formal review.* Except as explained in this paragraph, any party to an initial determination made by OCHAMPUS, or a reconsideration determination made by the CHAMPUS contractor may request a formal review by OCHAMPUS if the party is dissatisfied with the initial or reconsideration determination unless the initial or reconsideration determination

(1) Is final under paragraph (b)(5) of this section;

(2) Involves the sanctioning of a provider by the exclusion, suspension or termination of authorized provider status;

(3) Involves a written decision issued pursuant to § 199.9, paragraph (h)(l)(iv)(A) regarding the temporary suspension of claims processing; or

(4) Involves a reconsideration determination by a CHAMPUS peer review organization. A hearing, but not a formal review level of appeal, may be available to a party to an initial determination involving the sanctioning of a provider or to a party to a written decision involving a temporary suspension of claims processing. A beneficiary (or an authorized representative of a beneficiary), but not a provider, may request a hearing, but not a formal review, of a reconsideration determination made by a CHAMPUS peer review organization.

(d) *Hearing.* Any party to the initial determination may request a hearing if the party is dissatisfied with the formal review determination and the formal review determination is not final under the provisions of paragraph (c)(5), of this section, *or* the initial determination involves the sanctioning of a provider under § 199.9 of this part and involves an appealable issue.

(1) *Requesting a hearing*—(i) *Written request required.* The request shall be in writing, state the specific matter in dispute, include a copy of the appropriate initial determination or formal review determination being appealed, and include any additional information or documents not submitted previously.

(ii) *Where to file.* The request shall be submitted to the Chief, Appeals and Hearings, OCHAMPUS, Aurora, Colorado 80045–6900.

(iii) *Allowed time to file.* The request shall be mailed within 60 days after the date of the notice of the initial determination or formal review determination being appealed.

(iv) *Official filing date.* A request for hearing shall be deemed filed on the date it is mailed and postmarked. If a request for hearing does not have a postmark, it shall be deemed filed on the day received by OCHAMPUS.

(2) *Hearing process.* A hearing is an administrative proceeding in which facts relevant to the appealable issue(s) in the case are presented and evaluated in relation to applicable law, regulation, policies, and guidelines in effect at the time the care in dispute was provided or requested; at the time of the initial determination, formal review determination, or hearing decision involving a provider request for approval under CHAMPUS as an authorized provider; or at the time of the act or event which is the basis for the imposition of sanctions under this part. A hearing, except for an appeal involving a provider sanction, generally shall be conducted as a nonadversary, administrative proceeding. However, an authorized party to any hearing, including CHAMPUS, may submit additional evidence or testimony relevant to the appealable issue(s) and may appoint a representative, including legal counsel, to participate in the hearing process.

(3) *Timeliness of hearing.* (i) Except as otherwise provided in this section, within 60 days following receipt of a request for hearing, the Director, OCHAMPUS, or a designee, normally will appoint a hearing officer to hear the appeal. Copies of all records in the possession of OCHAMPUS that are pertinent to the matter to be heard or that formed the basis of the formal review determination shall be provided to the hearing officer and, upon request, to the appealing party.

(ii) The hearing officer, except as otherwise provided in this Section, normally shall have 60 days from the date

of written notice of assignment to review the file, schedule and hold the hearing, and issue a recommended decision to the Director, OCHAMPUS, or designee.

(iii) The Director, OCHAMPUS, or designee, may delay the case assignment to the hearing officer if additional information is needed that cannot be obtained and included in the record within the time period specified above. The appealing party will be notified in writing of the delay resulting from the request for additional information. The Director, OCHAMPUS, or a designee, in such circumstances, will assign the case to a hearing officer within 30 days of receipt of all such additional information, or within 60 days of receipt of the request for hearing, whichever shall occur last.

(iv) The hearing officer may delay submitting the recommended decision if, at the close of the hearing, any party to the hearing requests that the record remain open for submission of additional information. In such circumstances, the hearing officer will have 30 days following receipt of all such additional information including comments from the other parties to the hearing concerning the additional information to submit the recommended decision to the Director, OCHAMPUS, or a designee.

(4) *Representation at a hearing.* Any party to the hearing may appoint a representative to act on behalf of the party at the hearing, unless such person currently is disqualified or suspended from acting in another Federal administrative proceeding, or unless otherwise prohibited by law, this part, or any other DoD regulation (see paragraph (a)(2)(ii) of this section). A hearing officer may refuse to allow any person to represent a party at the hearing when such person engages in unethical, disruptive, or contemptuous conduct, or intentionally fails to comply with proper instructions or requests of the hearing officer, or the provisions of this part. The representative shall have the same authority as the appealing party and notice given to the representative shall constitute notice required to be given to the appealing party.

(5) *Consolidation of proceedings.* The Director, OCHAMPUS, or a designee, may consolidate any number of proceedings for hearing when the facts and circumstances are similar and no substantial right of an appealing party will be prejudiced.

(6) *Authority of the hearing officer.* The hearing officer in exercising the authority to conduct a hearing under this part will be bound by 10 U.S.C. chapter 55 and this part. The hearing officer in addressing substantive, appealable issues shall be bound by policy manuals, instructions, procedures, and other guidelines issued by the ASD(HA), or a designee, or by the Director, OCHAMPUS, or a designee, in effect for the period in which the matter in dispute arose. A hearing officer may not establish or amend policy, procedures, instructions, or guidelines. However, the hearing officer may recommend reconsideration of the policy, procedures, instructions or guidelines by the ASD(HA), or a designee, when the final decision is issued in the case.

(7) *Disqualification of hearing officer.* A hearing officer voluntarily shall disqualify himself or herself and withdraw from any proceeding in which the hearing officer cannot give fair or impartial hearing, or in which there is a conflict of interest. A party to the hearing may request the disqualification of a hearing officer by filing a statement detailing the reasons the party believes that a fair and impartial hearing cannot be given or that a conflict of interest exists. Such request immediately shall be sent by the appealing party or the hearing officer to the Director, OCHAMPUS, or a designee, who shall investigate the allegations and advise the complaining party of the decision in writing. A copy of such decision also shall be mailed to all other parties to the hearing. If the Director, OCHAMPUS, or a designee, reassigns the case to another hearing officer, no investigation shall be required.

(8) *Notice and scheduling of hearing.* The hearing officer shall issue by certified mail, when practicable, a written notice to the parties to the hearing of the time and place for the hearing. Such notice shall be mailed at least 15 days before the scheduled date of the

hearing. The notice shall contain sufficient information about the hearing procedure, including the party's right to representation, to allow for effective preparation. The notice also shall advise the appealing party of the right to request a copy of the record before the hearing. Additionally, the notice shall advise the appealing party of his or her responsibility to furnish the hearing officer, no later than 7 days before the scheduled date of the hearing, a list of all witnesses who will testify and a copy of all additional information to be presented at the hearing. The time and place of the hearing shall be determined by the hearing officer, who shall select a reasonable time and location mutually convenient to the appealing party and OCHAMPUS.

(9) *Dismissal of request for hearing.* (i) *By application of appealing party.* A request for hearing may be dismissed by the Director, OCHAMPUS, or a designee, at any time before the mailing of the final decision, upon the application of the appealing party. A request for dismissal must be in writing and filed with the Chief, Appeals and Hearings, OCHAMPUS, or the hearing officer. When dismissal is requested, the formal review determination in the case shall be deemed final, unless the dismissal is vacated in accordance with paragraph (d)(9)(v) of this section.

(ii) *By stipulation of the parties to the hearing.* A request for a hearing may be dismissed by the Director, OCHAMPUS, or a designee, at any time before to the mailing of notice of the final decision under a stipulation agreement between the appealing party and OCHAMPUS. When dismissal is entered under a stipulation, the formal review decision shall be deemed final, unless the dismissal is vacated in accordance with paragraph (d)(9)(v) of this section.

(iii) *By abandonment.* The Director, OCHAMPUS, or a designee, may dismiss a request for hearing upon abandonment by the appealing party.

(A) An appealing party shall be deemed to have abandoned a request for hearing, other than when personal appearance is waived in accordance with § 199.10(d)(11)(xii), if neither the appealing party nor an appointed representative appears at the time and place fixed for the hearing and if, within 10 days after the mailing of a notice by certified mail to the appealing party by the hearing officer to show cause, such party does not show good and sufficient cause for such failure to appear and failure to notify the hearing officer before the time fixed for hearing that an appearance could not be made.

(B) An appealing party shall be deemed to have abandoned a request for hearing if, before assignment of the case to the hearing officer, OCHAMPUS is unable to locate either the appealing party or an appointed representative.

(C) An appealing party shall be deemed to have abandoned a request for hearing if the appealing party fails to prosecute the appeal. Failure to prosecute the appeal includes, but is not limited to, an appealing party's failure to provide information reasonably requested by OCHAMPUS or the hearing officer for consideration in the appeal.

(D) If the Director, OCHAMPUS, or a designee, dismisses the request for hearing because of abandonment, the formal review determination in the case shall be deemed to be final, unless the dismissal is vacated in accordance with paragraph (d)(9)(v) of this section.

(iv) *For cause.* The Director, OCHAMPUS, or a designee, may dismiss for cause a request for hearing either entirely or as to any stated issue. If the Director, OCHAMPUS, or a designee, dismisses a hearing request for cause, the formal review determination in the case shall be deemed to be final, unless the dismissal is vacated in accordance with paragraph (d)(9)(v) of this section. A dismissal for cause may be issued under any of the following circumstances:

(A) When the appealing party requesting the hearing is not a proper party under paragraph (a)(2)(i) of this section, or does not otherwise have a right to participate in a hearing.

(B) When the appealing party who filed the hearing request dies, and there is no information before the Director, OCHAMPUS, or a designee, showing that a party to the initial determination who is not an appealing party may be prejudiced by the formal review determination.

(C) When the issue is not appealable (see § 199.10(a)(6)).

(D) When the amount in dispute is less than $300 (see § 199.10(a)(7)).

(E) When all appealable issues have been resolved in favor of the appealing party.

(v) *Vacation of dismissal.* Dismissal of a request for hearing may be vacated by the Director, OCHAMPUS, or a designee, upon written request of the appealing party, if the request is received within 6 months of the date of the notice of dismissal mailed to the last known address of the party requesting the hearing.

(10) *Preparation for hearing.* (i) *Prehearing statement of contentions.* The hearing officer may on reasonable notice require a party to the hearing to submit a written statement of contentions and reasons. The written statement shall be provided to all parties to the hearing before the hearing takes place.

(ii) *Discovery.* Upon the written request of a party to the initial determination (including OCHAMPUS) and for good cause shown, the hearing officer will allow that party to inspect and copy all documents, unless privileged, relevant to issues in the proceeding that are in the possession or control of the other party participating in the appeal. The written request shall state clearly what information and documents are required for inspection and the relevance of the documents to the issues in the proceeding. Depositions, interrogatories, requests for admissions, and other forms of prehearing discovery are generally not authorized and the Department of Defense does not have subpoena authority for purposes of administrative hearings under this Section. If the hearing officer finds that good cause exists for taking a deposition or interrogatory, the expense shall be assessed to the requesting party, with copies furnished to the hearing officer and the other party or parties to the hearing.

(iii) *Witnesses and evidence.* All parties to a hearing are responsible for producing, at each party's expense, meaning without reimbursement of payment by CHAMPUS, witnesses and other evidence in their own behalf, and for furnishing copies of any such documentary evidence to the hearing officer and other party or parties to the hearing. The Department of Defense is not authorized to subpoena witnesses or records. The hearing officer may issue invitations and requests to individuals to appear and testify without cost to the Government, so that the full facts in the case may be presented.

(11) *Conduct of hearing.* (i) *Right to open hearing.* Because of the personal nature of the matters to be considered, hearings normally shall be closed to the public. However, the appealing party may request an open hearing. If this occurs, the hearing shall be open except when protection of other legitimate Government purposes dictates closing certain portions of the hearing.

(ii) *Right to examine parties to the hearing and their witnesses.* Each party to the hearing shall have the right to produce and examine witnesses, to introduce exhibits, to question opposing witnesses on any matter relevant to the issue even though the matter was not covered in the direct examination, to impeach any witness regardless of which party to the hearing first called the witness to testify, and to rebut any evidence presented. Except for those witnesses employed by OCHAMPUS at the time of the hearing, or records in the possession of OCHAMPUS, a party to a hearing shall be responsible, that is to say no payment or reimbursement shall be made by CHAMPUS for the cost or fee associated with producing witnesses or other evidence in the party's own behalf, or for furnishing copies of documentary evidence to the hearing officer and other party or parties to the hearing.

(iii) *Taking of evidence.* The hearing officer shall control the taking of evidence in a manner best suited ascertain the facts and safeguard the rights of the parties to the hearing. Before taking evidence, the hearing officer shall identify and state the issues in dispute on the record and the order in which evidence will be recieved.

(iv) *Questioning and admission of evidence.* A hearing officer may question any witness and shall admit any relevant evidence. Evidence that is irrelevant or unduly repetitious shall be excluded.

(v) *Relevant evidence.* Any relevant evidence shall be admitted, unless unduly repetitious, if it is the type of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule that might make improper the admission of such evidence over objection in civil or criminal actions.

(vi) *CHAMPUS determination first.* The basis of the CHAMPUS determinations shall be presented to the hearing officer first. The appealing party shall then be given the opportunity to establish affirmatively why this determination is held to be in error.

(vii) *Testimony.* Testimony shall be taken only on oath, affirmation, or penalty of perjury.

(viii) *Oral argument and briefs.* At the request of any party to the hearing made before the close of the hearing, the hearing officer shall grant oral argument. If written argument is requested, it shall be granted, and the parties to the hearing shall be advised as to the time and manner within which such argument is to be filed. The hearing officer may require any party to the hearing to submit written memoranda pertaining to any or all issues raised in the hearing.

(ix) *Continuance of hearing.* A hearing officer may continue a hearing to another time or place on his or her own motion or, upon showing of good cause, at the request of any party. Written notice of the time and place of the continued hearing, except as otherwise provided here, shall be in accordance with this part. When a continuance is ordered during a hearing, oral notice of the time and place of the continued hearing may be given to each party to the hearing who is present at the hearing.

(x) *Continuance for additional evidence.* If the hearing officer determines, after a hearing has begun, that additional evidence is necessary for the proper determination of the case, the following procedures may be invoked:

(A) *Continue hearing.* The hearing may be continued to a later date in accordance with § 199.10(d)(11)(ix), above.

(B) *Closed hearing.* The hearing may be closed, but the record held open in order to permit the introduction of additional evidence. Any evidence submitted after the close of the hearing shall be made available to all parties to the hearing, and all parties to the hearing shall have the opportunity for comment. The hearing officer may reopen the hearing if any portion of the additional evidence makes further hearing desirable. Notice thereof shall be given in accordance with paragraph (d)(8) of this section.

(xi) *Transcript of hearing.* A verbatim taped record of the hearing shall be made and shall become a permanent part of the record. Upon request, the appealing party shall be furnished a duplicate copy of the tape. A typed transcript of the testimony will be made only when determined to be necessary by OCHAMPUS. If a typed transcript is made, the appealing party shall be furnished a copy without charge. Corrections shall be allowed in the typed transcript by the hearing officer solely for the purpose of conforming the transcript to the actual testimony.

(xii) *Waiver of right to appear and present evidence.* If all parties waive their right to appear before the hearing officer for presenting evidence and contentions personally or by representation, it will not be necessary for the hearing officer to give notice of, or to conduct a formal hearing. A waiver of the right to appear must be in writing and filed with the hearing officer or the Chief, Appeals and Hearings, OCHAMPUS. Such waiver may be withdrawn by the party by written notice received by the hearing officer or Chief, Appeals and Hearings, no later than 7 days before the scheduled hearing or the mailing of notice of the final decision, whichever occurs first. For purposes of this Section, failure of a party to appear personally or by representation after filing written notice of waiver, will not be cause for finding of abandonment and the hearing officer shall make the recommended decision on the basis of all evidence of record.

(12) *Recommended decision.* At the conclusion of the hearing and after the record has been closed, the matter shall be taken under consideration by the hearing officer. Within the time frames previously set forth in this Section, the hearing officer shall submit

to the Director, OCHAMPUS, or a designee, a written recommended decision containing a statement of findings and a statement of reasons based on the evidence adduced at the hearing and otherwise included in the hearing record.

(i) *Statement of findings.* A statement of findings is a clear and concise statement of fact evidenced in the record or conclusions that readily can be deduced from the evidence of record. Each finding must be supported by substantial evidence that is defined as such evidence as a reasonable mind can accept as adequate to support a conclusion.

(ii) *Statement of reasons.* A reason is a clear and concise statement of law, regulation, policies, or guidelines relating to the statement of findings that provides the basis for the recommended decision.

(e) *Final decision.* (1) *Director, OCHAMPUS.* The recommended decision shall be reviewed by the Director, OCHAMPUS, or a designee, who shall adopt or reject the recommended decision or refer the recommended decision for review by the Assistant Secretary of Defense (Health Affairs). The Director, OCHAMPUS, or designee, normally will take action with regard to the recommended decision within 90 days of receipt of the recommended decision or receipt of the revised recommended decision following a remand order to the Hearing Officer.

(i) *Final action.* If the Director, OCHAMPUS, or a designee, concurs in the recommended decision, no further agency action is required and the recommended decision, as adopted by the Director, OCHAMPUS, is the final agency decision in the appeal. In the case of rejection, the Director, OCHAMPUS, or a designee, shall state the reason for disagreement with the recommended decision and the underlying facts supporting such disagreement. In these circumstances, the Director, OCHAMPUS, or a designee, may have a final decision prepared based on the record, or may remand the matter to the Hearing Officer for appropriate action. In the latter instance, the Hearing Officer shall take appropriate action and submit a new recommended decision within 60 days of receipt of the remand order. The decision by the Director, OCHAMPUS, or a designee, concerning a case arising under the procedures of this section, shall be the final agency decision and the final decision shall be sent by certified mail to the appealing party or parties. A final agency decision under paragraph (e)(1) of this section will not be relied on, used, or cited as precedent by the Department of Defense in the administration of CHAMPUS.

(ii) *Referral for review by ASD(HA).* The Director, OCHAMPUS, or a designee, may refer a hearing case to the Assistant Secretary of Defense (Health Affairs) when the hearing involves the resolution of CHAMPUS policy and issuance of a final decision which may be relied on, used, or cited as precedent in the administration of CHAMPUS. In such a circumstance, the Director, OCHAMPUS, or a designee, shall forward the recommended decision, together with the recommendation of the Director, OCHAMPUS, or a designee, regarding disposition of the hearing case.

(2) *ASD(HA).* The ASD(HA), or a designee, after reviewing a case arising under the procedures of this section may issue a final decision based on the record in the hearing case or remand the case to the Director, OCHAMPUS, or a designee, for appropriate action. A decision issued by the ASD(HA), or a designee, shall be the final agency decision in the appeal and a copy of the final decision shall be sent by certified mail to the appealing party or parties. A final decision of the ASD(HA), or a designee, issued under this paragraph (e)(2) may be relied on, used, or cited as precedent in the administration of CHAMPUS.

[51 FR 24008, July 1, 1986, as amended at 52 FR 33007, Sept. 1, 1987; 54 FR 25255, June 14, 1989; 55 FR 43341, Nov. 16, 1990; 56 FR 59880, Nov. 26, 1991]

§ 199.11 Overpayments recovery.

(a) *General.* Actions to recover overpayments arise when the government has a right to recover money or property from an individual, partnership, association, corporation, governmental body or other legal entity, foreign or domestic, except an instrumentality of

the United States because of an erroneous payment of benefits under the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS). A claim against several joint debtors arising from a single incident or transaction is considered to be one claim. It is the purpose of this Section to prescribe procedures for investigation, determination, assertion, collection, compromise, waiver and termination of claims in favor of the United States for erroneous benefits payments arising out of administration of CHAMPUS.

(b) *Authority*. (1) *Federal statutory authority*. The Federal Claims Collection Act provides the basic authority under which claims may be asserted pursuant to this section. It is implemented by joint regulations issued by the Department of Justice and the General Accounting Office, 4 CFR parts 101–105. Thereunder, the heads of federal agencies or their designees are required to attempt collection of all claims of the United States for money or property arising out of the activities of their respective agencies. These officials may, with respect to claims that do not exceed $20,000, exclusive of interest, and in conformity with the standards promulgated in the joint regulations, compromise, suspend, or terminate collection action on such claims. Section 743 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106) authorizes the waiver (see paragraph (g)(3) of this section) of collection of overpayments otherwise due from a person after the termination of the person's CHAMPUS eligibility, because the person became eligible for Medicare Part A by reason of disability or end-stage renal disease.

(2) *Other authority*. Occasionally, federal claims may arise which are grounded, at least in part, in authority other than the federal statute referenced above. These include, but are not limited to, claims arising under:

(i) State worker's compensation laws.

(ii) State hospital lien laws.

(iii) State no-fault automobile statutes.

(iv) Contract rights under terms of insurance policies.

(c) *Policy*. The governmental policy of avoiding unnecessary litigation in the collection of claims by the United States for money or property necessitates aggressive agency collection action. The Director, OCHAMPUS, or a designee, will insure that CHAMPUS claims asserting personnel are adequately supported to take timely and effective action. Claims arising out of any incident which has or probably will generate a claim in favor of the government will not be compromised nor will collection action be terminated by any person not authorized to take final action on the government's claim. By the Act of July 18, 1966 (28 U.S.C. 2415–2418), Congress established a statute of limitation applicable to the government in areas where previously neither limitations nor laches were available as a defense. Claims falling within the provisions of this statute will be processed expeditiously to the Department of Justice or the General Accounting Office, as appropriate, without attempting administrative collection action if such action cannot be accomplished in sufficient time to preclude the running of the statute of limitations.

(d) *Appealability*. This section describes the procedures to be followed in the recovery and collection of federal claims in favor of the United States arising from the operation of the CHAMPUS. Actions taken under this section are not initial determinations for the purpose of the appeal procedures of § 199.10 of this part. However, the proper exercise of the right to appeal benefit or provider status determinations under the procedures set forth in § 199.10 may affect the processing of federal claims arising under this section. Those appeal procedures afford a CHAMPUS beneficiary or participating provider an opportunity for administrative appellate review in cases in which benefits have been denied and in which there is a significant factual dispute. For example, a fiscal intermediary may erroneously make payment for services which are excluded as CHAMPUS benefits because they are determined to be not medically necessary. In that event recoupment action will be initiated by the fiscal intermediary at the same time the fiscal intermediary will offer an administrative appeal as provided in § 199.10 of this part on the medical necessity issue

raised by the adverse benefit determination. The recoupment action and the administrative appeal are separate actions. However, in an appropriate case, the pendency of the appeal may provide a basis for the suspension of collection in the recoupment. Obviously, if the appeal is resolved entirely in favor of the appealing party, that would provide a basis for the termination of collection action in the recoupment case.

(e) *Delegation.* Subject to the limitations imposed by law or contained in this section, the authority to assert, settle, compromise or to suspend or terminate collection action on claims arising under the Federal Claims Collection Act has been delegated to the Director, OCHAMPUS, or a designee.

(f) *Recoupment of erroneous payments.* (1) *Erroneous payments.* Erroneous payments are expenditures of government funds which are not authorized by law or this part. Examples which are sometimes encountered in the administration of the CHAMPUS include mathematical errors, payment for care provided to an ineligible person, payment for care which is not an authorized benefit, payment for duplicate claims, inaccurate application of the deductible or co-payment, or payment for services which were not medically necessary. Claims in favor of the government arising as the result of the filing of false CHAMPUS claims or other fraud fall under the direct cognizance of the Department of Justice. Consequently, the procedures in this section apply to such claims only when specifically authorized or directed by the Department of Justice. (See 32 CFR 101.3.)

(2) *Scope.* (i) *General.* Paragraph (f) of this section and the paragraphs following contain requirements and procedures for the assertion, collection or compromise of, and the suspension or termination of collection action on claims for erroneous payments against a sponsor, beneficiary, provider, physician or other supplier of services under the CHAMPUS. These provisions are adopted pursuant to the Federal Claims Collection Act (31 U.S.C. 3701 *et seq.*, as amended by the Debt Collection Act of 1982, Pub. L. 97–365), which requires each agency of the U.S. Government (pursuant to regulations jointly promulgated by the Attorney General and the Comptroller General) to attempt collection of federal claims in favor of the United States arising out of the activities of the agency, and 5 U.S.C. 5514, which provides for installment deduction for indebtedness to the United States, implemented by regulations issued by the Office of Personnel Management, 5 CFR part 550, and the Department of Defense, 32 CFR part 90. Paragraph (f) of this section also includes government-wide collections by salary offset under 5 U.S.C. 5514.

(ii) *Debtor defined.* As used herein, ''debtor'' means a sponsor, beneficiary, provider, physician, other supplier of services or supplies, or any other person who has for any reason been erroneously paid under the CHAMPUS. It includes an individual, partnership, corporation, professional corporation or association, estate, trust or any other legal entity.

(iii) *Delinquency defined.* As used herein, a debt is considered ''delinquent'' if it has not been paid by the date specified in the initial demand for payment (that is, the initial written notification) or applicable contractual agreement, unless other satisfactory payment arrangements have been made by that date. A debt is also considered delinquent if at any time after entering into a repayment agreement, the debtor fails to satisfy any obligations under that agreement.

(3) *Other health insurance claims.* Claims arising from erroneous CHAMPUS payments in situations where the beneficiary has entitlement to insurance, medical service, health and medical plan, or other government program, except in the case of a plan administered under Title XIX of the Social Security Act (42 U.S.C. 1396 *et seq.*), through employment, by law, through membership in an organization, or as a student, or through the purchase of a private insurance or health plan, shall be recouped under one of the following procedures:

(i) Where the other health insurance plan has not already made benefit payments to the beneficiary or provider, a claim for direct reimbursement will be asserted against the plan, pursuant to

the fiscal intermediary's coordination of benefit procedures.

(ii) If the other health insurance plan has made its benefit payment prior to receiving the CHAMPUS request for reimbursement, the recoupment procedures set forth in paragraph (f) of this section will be followed.

(4) *Claims denials due to clarification or change.* In those instances where claim review results in the denial of benefits previously provided but now denied due to a change, clarification or interpretation of the public law or this part, no recoupment action need be taken to recover funds expended prior to the effective date of such change, clarification, or interpretation.

(5) *Good faith payment.* (i) The Department of Defense, through the Defense Enrollment Eligibility Reporting System (DEERS), is responsible for establishing and maintaining a file listing persons eligible to receive benefits under CHAMPUS. However, it is the responsibility of the Uniformed Services to provide eligible CHAMPUS beneficiaries with accurate and appropriate means of identification. When sources of civilian medical care exercise reasonable care and precaution in identifying persons claiming to be eligible CHAMPUS beneficiaries and furnish otherwise covered services and supplies to such persons in good faith, CHAMPUS benefits may be paid subject to prior approval by the Director, OCHAMPUS, or a designee, notwithstanding the fact that the person receiving the services and supplies is subsequently determined to be ineligible for benefits. Good faith payments will not be authorized for services and supplies provided by a civilian source of medical care as the result of its own careless identification procedures.

(ii) When it is determined that a person was not a CHAMPUS beneficiary, the CHAMPUS fiscal intermediary and the civilian source of medical care are expected to make all reasonable efforts to obtain payment or recoup the amount of the good faith payment from the person who erroneously claimed to be a CHAMPUS beneficiary. Recoupments of good faith payments initiated by the CHAMPUS fiscal intermediary will be processed pursuant to the provisions of paragraph (f) of this section.

(6) *Recoupment procedures.* (i) *Initial action.* When an erroneous payment is discovered, the CHAMPUS fiscal intermediary normally will be required to take the initial action to effect recoupment. Such action will be in accordance with the provisions of this part and the fiscal intermediary's CHAMPUS contract and will include demands for refund or an offset against any other CHAMPUS payment becoming due the debtor. When the efforts of the CHAMPUS fiscal intermediary to effect recoupment are not successful within a reasonable time, recoupment cases will be referred to the General Counsel, OCHAMPUS, for further action in accordance with the provisions of paragraph (f) of this section. All requests to debtors for refund or notices of intent to offset shall be in writing.

(ii) *Demand for payment.* The CHAMPUS fiscal intermediary and OCHAMPUS normally shall make a total of at least three progressively stronger written demands upon the debtor in terms which inform the debtor of the consequences of his or her failure to cooperate. The initial written demand shall inform the debtor of the basis for and the amount of the indebtedness. The initial written demand shall also inform the debtor of the following: The debtor's right to inspect and copy all records pertaining to the debt; his or her right to request an administrative review by the fiscal intermediary; that interest on the debt at the current rate as determined by the Director, OCHAMPUS, or a designee, will begin to accrue on the date of the initial demand notification; that such interest shall be waived on the debt, or any portion thereof, which is paid within 30 days of the date of the initial demand notification; that payment of the indebtedness is due within 30 days of the date of the initial demand notification; and that administrative costs and penalties will be charged pursuant to 4 CFR 102.13. The debtor also shall be informed that collection by offset against current or subsequent claims may be taken. All debtors will be offered an opportunity to enter into a

written agreement to repay the indebtedness. The fiscal intermediary demand letters must be dated the same day as they are mailed. Two written demands, at 30-day intervals, normally will be made by the CHAMPUS fiscal intermediary unless a response to the first demand indicates that further demand would be futile or unless prompt suit or attachment is required in anticipation of the departure of the debtor, of his removal or transfer of assets, or the running of the statute of limitations. There should be no undue time lag in responding to any communication received from the debtor. Responses should be made within 30 days whenever feasible. If these initial efforts at collection are not productive or if immediate legal action on the claim appears necessary, the claim either will be referred promptly by the CHAMPUS fiscal intermediary to the General Counsel, OCHAMPUS, or the CHAMPUS fiscal intermediary will prepare a final notice informing the debtor that the debt is to be offset in whole or in part. When a case is referred to OCHAMPUS, the Office of General Counsel will normally prepare a third written demand unless from the record such demand appears futile or otherwise inappropriate.

(iii) *Collection by administrative offset.* Collections by offset will be undertaken administratively on claims which are liquidated or certain in amount in every instance in which this is feasible. No collection by offset may be undertaken unless a demand for payment containing all of the procedural safeguards described in paragraph (f)(6)(ii) of this section, has been sent to the debtor. The determinations of indebtedness made for recoupment of erroneous CHAMPUS payments rarely involve issues of credibility of veracity. Erroneous CHAMPUS payments most frequently arise from claims submitted by individuals ineligible for CHAMPUS benefits; from claims submitted for services or supplies not covered by CHAMPUS; from claims in which there have been other insurance payments which reduce the CHAMPUS liability and from claims from participating providers in which payment is initially erroneously made to the beneficiary. While these recoupment claims normally involve the resolution of factual questions, these resolution nearly always require only reference to the documentary evidence compiled in the investigation and processing of the claim. The appeals system described in § 199.10 of this part affords a CHAMPUS beneficiary or participating provider an opportunity for an administrative appellate review, including, under certain circumstances, the right to oral hearing before a hearing officer. Further, there is no statutory provision for the waiver of indebtedness arising from erroneous CHAMPUS payments, other than the provisions of the Federal Claims Collection Act which allow for the compromise of claims or the termination of collection action under certain circumstances specified in paragraph (g) of this section. Consequently, the pre-offset oral hearing requirements of the Federal Claims Collection Standards (4 CFR 102.3) do not apply to the recoupment of erroneous CHAMPUS payments. CHAMPUS fiscal intermediaries may take administrative action to offset erroneous payments against other current CHAMPUS payments owing a debtor. Payments on the claims of a debtor pending at or filed subsequent to the time collection action is initiated should be suspended pending the outcome of the collection action so that these funds will be available for offset. All or any part of a debt may be offset depending upon the amount available for offset. Only the case in which no possibility of offset arises within 60 days of the initiation of collection action and on which other collection efforts have been unsuccessful or in which the debtor seeks relief from the indebtedness will be referred to the General Counsel, OCHAMPUS, by the CHAMPUS fiscal intermediary. Offset, under the provisions of 31 U.S.C. 3716, is not to be used with respect to debts owed by any state or local government. Any requests for offset that are received from other agencies shall be forwarded to the General Counsel, OCHAMPUS, for processing, as will orders for garnishment issued by courts of competent jurisdiction.

(iv) *Collection of installments.* CHAMPUS recoupment claims should be collected in one lump sum whenever

possible. However, if the debtor is financially unable to pay the debt in one lump sum, payment may be accepted in regular installments by the CHAMPUS fiscal intermediary or the General Counsel, OCHAMPUS. Installment payments normally will be required on at least a monthly basis and their size will bear a reasonable relation to the size of the debt and the debtor's ability to pay. A CHAMPUS fiscal intermediary should not enter into installment agreements which extend beyond 24 months. OCHAMPUS installment agreements normally should liquidate the government's claim within 3 years. Installment payments of less than $50 per month normally will be accepted only if justifiable on grounds of financial hardship or some other reasonable cause. Any installment agreement with a debtor in which the total amount of the deferred installments will exceed $750 should normally include an executed promissory note.

(v) *Interest, penalties, and administrative costs.* Interest shall be charged on CHAMPUS recoupment debts and debts collected in installments in accordance with 4 CFR 102.13 and instructions issued by the Director, OCHAMPUS, or a designee. Interest shall accrue from the date on which the initial demand is mailed to the debtor. The rate of interest assessed shall be the rate of the current value of funds to the United States Treasury (that is, the Treasury tax and loan account rate). The rate of interest, as initially assessed shall remain fixed for the duration of the indebtedness, except that where the debtor has defaulted on a repayment agreement and seeks to enter into a new agreement, a new interest rate may be set which reflects the current value of funds to the Treasury at the time the new agreement is executed. The collection of interest on the debt or any portion of the debt, which is paid within 30 days after the date on which interest began to accrue, shall be waived. The agency may extend this 30-day period, on a case-by-case basis, if it reasonably determines that such action is appropriate. Also, the collection of interest, penalties, and administrative costs may be waived in whole or in part as a part of the compromise of a debt as provided in paragraph (g) of this section. In addition, the Director, OCHAMPUS, or a designee, may waive in whole or in part, the collection of interest, penalties, or administrative costs assessed herein, if he or she determines that collection of these charges would be against equity and good conscience or not in the best interests of the United States. Some situations in which such a waiver may be appropriate include:

(A) Waiver of interest consistent with 4 CFR 104.2(c)(2) in connection with a suspension of collection action pending a CHAMPUS appeal under § 199.10 of this part where there is a substantial issue of fact in dispute.

(B) Waiver of interest where the original debt arose through no fault or lack of good faith on the part of the debtor and the collection of interest would impose a financial hardship or burden on the debtor. Some examples in which such a waiver may be appropriate include: a debt arising when a CHAMPUS beneficiary, who is unaware of the loss of eligibility for CHAMPUS because he or she has become eligible for Medicare, continues to file and be paid for CHAMPUS claims, resulting in erroneous CHAMPUS payments; a debt arising when a CHAMPUS beneficiary in good faith files and is paid a CHAMPUS claim for medical services or supplies which are later determined not to be benefits of CHAMPUS; and a debt arising when a CHAMPUS beneficiary is overpaid as the result of a calculation error on the part of a fiscal intermediary or OCHAMPUS.

(C) Waiver of interest where there has been an agreement to repay a debt in installments, there is no indication of fault or lack of good faith on the part of the debtor, and the amount of interest is so large in relation to the size of the installments that the debtor can reasonably afford to pay, that it is likely the debt will never be repaid in full.

When a debt is paid in installments, the installment payments first will be applied to the payment of outstanding penalty and administrative cost charges, second to accrued interest and then to principal. Administrative costs incurred as the result of a debt becoming delinquent (as defined in paragraph

(f)(2)(iii) of this section) shall be assessed against a debtor. These administrative costs represent the additional costs incurred in processing and handling the debt because it became delinquent. The calculation of administrative costs should be based upon cost analysis establishing an average of actual additional costs incurred in processing and handling claims against other debtors in similar stages of delinquency. A penalty charge, not exceeding six percent a year shall be assessed on any portion of a debt that is delinquent for more than 90 days. This charge, which need not be calculated until the 91st day of delinquency, shall accrue from the date that the debt became delinquent.

(vi) *Referral to other federal agencies for administrative offset.* As appropriate and in accordance with 4 CFR part 1023, agencies will be requested to initiate administrative offset to collect CHAMPUS debts. When a debtor is employed by the U.S. Government, or is a member or retired member of the Uniformed Service, and collection by offset against other CHAMPUS payments due the debtor cannot be accomplished, and there have been no positive responses to a demand for payment within 60 days, the Director, OCHAMPUS, or a designee, may contact the agency holding funds payable to the debtor for payment by allotment or otherwise by salary offset from current disposable pay in accordance with 37 U.S.C. 1007 or 5 U.S.C. 5514 as implemented by 32 CFR part 90 and 5 CFR part 550. Where applicable, the request for recovery of erroneous CHAMPUS payments shall be submitted to the debtor's paying agency in accordance with 5 CFR 550.1106. Before contacting the paying agency, the Director, OCHAMPUS, or a designee, will provide the debtor written notification of the agency's intent to collect the debt by means of salary offset, authorized by 5 U.S.C. 5514. The notification will include, as a minimum:

(A) The agency's determination that a debt is owed, including the origin, nature, and the amount of the debt;

(B) The date by which payment is to be made, which will normally be 30 days from the date the demand letter is mailed;

(C) The amount, frequency, proposed beginning date and duration of the intended deductions, which will be determined in accordance with the provisions of 5 CFR 550.1104 or 32 CFR part 90, as appropriate. Ordinarily, the size of installment deductions must bear a reasonable relationship to the size of the debt and the employee's ability to pay (4 CFR 102.11). However, the amount deducted for any period must not exceed 15 percent of the disposable pay from which the deduction is made unless the debtor has agreed in writing to the deduction of a greater amount. Debts must be collected in one lump-sum whenever possible. However, if the employee is financially unable to pay in one lump-sum, or the amount of the debt exceeds 15 percent of current disposable pay for an officially established pay interval, collection must be made in installments. Such installment deductions must be made to effect collection within the period of anticipated active duty or employment. If the debtor retires or resigns or if his or her employment or period of active duty ends before collection of the debt is completed, offset from subsequent payments of any kind due the employee from the paying agency as of the date of separation shall be made to the extent necessary to liquidate the debt pursuant to 31 U.S.C. 3716 as implemented by 5 CFR part 550 and 32 CFR part 90. If possible, the installment payments should be sufficient in size and frequency to liquidate the government's claim in not more than 3 years. Installment payments of less than $50 per month should be accepted only with reasonable justification. An employee's involuntary payment of all or any portion of a debt being collected under 5 U.S.C. 5514 will not be construed as a waiver of any rights the debtor may have under that statute or any other provisions of contract or law, unless there are statutory or contractual provisions to the contrary.

(D) An explanation of interest, penalties, and administrative costs, including a statement that such assessments must be made unless excused in accordance with the Federal Claims Collection Standards;

(E) Advice that the debtor may inspect and copy government records relating to the debt or, if debtor or his or her representative cannot personally inspect the records, to request and receive a copy of such records. Requests for copies of the records relating to the debt shall be made no later than 10 days from the receipt by the debtor of the notice of indebtedness.

(F) An opportunity for a review by the agency of its determination regarding the existence or the amount of the debt, or when a repayment schedule is established other than by written agreement, concerning the terms of the repayment schedule. The debtor shall be advised that a challenge to either the existence of the debt, the amount of the debt, or the repayment schedule, must be made within 30 days of the receipt by the debtor of the notice of indebtedness or within 45 days after receipt of the records relating to the debt, if such records are requested by the debtor. A request for waiver or reconsideration should be accompanied by supporting documents indicating why the debtor believes he is not so indebted, or by a financial affidavit supporting his request for an alternative repayment schedule;

(G) Notice that the timely filing of a petition for review will stay the commencement of collection proceedings;

(H) Notice that a final decision on the review (if one is requested) will be issued at the earliest practical date, but not later than 60 days after the filing of the petition requesting the review unless the employee requests, and the agency grants, a delay in the proceedings;

(I) The opportunity, if it has not been previously provided, to enter into a written agreement to establish a schedule for repayment of the debt in lieu of offset. The agreement will be signed by both the debtor and the agency's representative and will be kept in the agency's files;

(J) Notice that any knowingly false or frivolous statements, representations, or evidence may subject the debtor to:

(*1*) Disciplinary procedures appropriate under chapter 75 of Title 5 U.S. Code, 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 authority, or

(*3*) Criminal penalties under 18 U.S.C. 286, 287, 1001 and 1002, or any other applicable authority;

(K) Where applicable, notice of the debtor's right to appeal, under § 199.10 of this part;

(L) That amounts paid on or deducted for the debt which are later waived or found not owed to the United States will promptly be refunded to the debtor. Refunds do not bear interest unless required or permitted by law or contract;

(M) The specific address to which all correspondence regarding the debt shall be directed. Unless otherwise prohibited by law, moneys which are due and payable to a debtor from the Civil Service Retirement and Disability Fund may be administratively offset in reasonable amounts in order to collect in one full payment or a minimal number of payments debts owed to the United States by the debtor. The General Counsel, OCHAMPUS, may forward requests for offset of debts arising from the operation of CHAMPUS to the appropriate officials of the Office of Personnel Management. These requests shall comply with the provisions of 4 CFR 102.4 and 5 CFR part 550.

(vii) *Referral to debt collection agencies.* Pursuant to the provisions of the Federal Claims Collection Standards (4 CFR 102.6), the Director, OCHAMPUS, or a designee, is authorized to enter into contracts for collection services, including contracts with private collection agencies for the purpose of supplementing and strengthening the collection efforts of the Department of Defense in recouping erroneous CHAMPUS payments. Such contracts will supplement but not replace the basic collection program described herein. The authority to resolve disputes, compromise claims, terminate collection action and initiate legal action may not be delegated in such contracts but will be retained by the Director, OCHAMPUS, or a designee. Individuals or firms that enter into contracts for collection services pursuant to this paragraph are subject to the Privacy Act of 1974, as amended, 5 U.S.C. 552a, federal and state laws and

regulations pertaining to debt collection practices, including the Fair Debt Collection Practices Act, 15 U.S.C. 1692. Debt collection contractors shall be required to account strictly for all amounts collected and must agree to provide any data contained in their files relating to 4 CFR 105.2(a) (1), (2) and (3). Contracts for commercial collection services must comply with 32 CFR part 90.

(viii) *Referrals to consumer reporting agencies.* The Director, OCHAMPUS, or a designee, is authorized to provide for the reporting of delinquent debts to consumer reporting agencies. Delinquent debts are those which are not paid or for which satisfactory payment arrangements are not made by the due date specified in the initial notification of indebtedness, or those for which the debtor has entered into a written payment agreement and installment payments are past due 30 days or longer. These referrals may be made only after publication of a ''routine use'' for the disclosures involved as required by the Privacy Act of 1974, as amended, 5 U.S.C. 552a. Procedures developed for such referrals must also insure that an accounting of the disclosures is kept which is available to the debtor; that the consumer reporting agencies are provided with corrections and annotations of disagreements by the debtor; and that reasonable efforts are made to assure that the information to be reported is accurate, complete, timely and relevant. When requested by a consumer reporting agency, verification of information disclosed will promptly be provided. Once a claim has been reviewed and determined to be valid, a complete explanation of the claim will be given the debtor. When the claim is overdue, the individual will be notified in writing that payment is overdue; that within 60 days, disclosure of the claim shall be made to a consumer reporting agency unless satisfactory payment arrangements are made or unless the debtor requests an administrative review and demonstrates some basis on which the debt is legitimately disputed; and of the specific information to be disclosed to the consumer reporting agency. The information to be disclosed to the consumer reporting agency will be limited to information necessary to establish the identity of the debtor, including name, address and taxpayer identification number; the amount, status and history of the claim; and the agency or program under which the claim arose. Reasonable action will be taken to locate an individual for whom a current address is not available.

(ix) *Use and disclosure of mailing addresses.* In attempting to locate a debtor in the collection of a debt under this section, the Director, OCHAMPUS, or a designee, may send a written request to the Secretary of the Treasury, or a designee, for current address information from records of the Internal Revenue Service. These requests will comply with the provisions of 26 U.S.C. 6103(p)(4) and applicable regulations of the Internal Revenue Service. Disclosure of a mailing address so obtained may be made pursuant to 4 CFR 102.18(b) and 31 U.S.C. 3711.

(g) *Compromise, waiver, suspension or termination of collection actions arising under the Federal Claims Collection Act.* (1) *Basic considerations.* Federal claims against the debtor and in favor of the United States arising out of the administration of the CHAMPUS may be compromised or collection action taken thereon may be suspended or terminated in compliance with the Federal Claims Collection Act, 31 U.S.C. 3711(a)(2) as implemented by the Federal Claims Collection Standards, 4 CFR parts 101 through 105.

(2) *Authority.* CHAMPUS fiscal intermediaries are not authorized to compromise or to suspend or terminate collection action on federal CHAMPUS claims. Only the Director, OCHAMPUS, or a designee, and Uniformed Service claims officers acting under the provisions of their own regulations, are so authorized.

(3) *Waiver of collection of erroneous payments due from certain persons unaware of loss of CHAMPUS eligibility.*

(i) The Director, OCHAMPUS may waive collection of payments otherwise due from certain persons as a result of health benefits received under this part after the termination of the person's eligibility for such benefits. Waiver may be granted if collection of such payments would be against equity and

good conscience and not in the best interest of the United States. These criteria are met by a finding that there is no indication of fraud, misrepresentation, fault, or lack of good faith on the part of the person who received the erroneous payment or any other person having an interest in obtaining such waiver.

(ii) *Persons eligible for waiver.* The following persons are eligible for waiver:

(A) A person who:

(1) Is entitled to Medicare Part A by reason of disability or end stage renal disease;

(2) In the absence of such entitlement, would have been eligible for CHAMPUS under 10 U.S.C. 1086; and

(3) At the time of the receipt of such benefits, was under age 65.

(B) Any participating provider of care who received direct payment for care provided to a person described in paragraph (g)(ii)(A) of this section pursuant to an assignment of benefits from such person.

(iii) The authority to waive collection of payments under this section shall apply with regard to health benefits provided during the period beginning January 1, 1967, and ending on the later of: the termination date of any special enrollment period for Medicare Part B provided specifically for such persons; or July 1, 1996.

(4) *Basis for compromise.* A claim may be compromised hereunder if the government cannot collect the full amount if:

(i) The debtor or the estate of a debtor does not have the present or prospective ability to pay the full amount within a reasonable time;

(ii) The debtor refuses to pay the claim in full and the government is unable to enforce collection of the full amount within a reasonable time by enforced collection proceedings;

(iii) There is real doubt concerning the government's ability to prove its case in court for the full amount claimed either because of the legal issues involved or a *bona fide* dispute as to the facts; or

(iv) The cost of collecting the claim does not justify enforced collection of the full amount.

(5) *Basis for suspension.* Collection action may be suspended for either of the following reasons if future collection action may be sufficiently productive to justify periodic review and action on the claim giving consideration to its size and the amount which may be realized thereon:

(i) The debtor cannot be located; or

(ii) The debtor is unable to make payments on the government's claim or effect a compromise at the time, but the debtor's future prospects justify retention of the claim for periodic review and action and:

(A) The applicable statute of limitations has been tolled or started running anew; or

(B) Future collection action can be effected by offset, notwithstanding the statute of limitations with due regard to the 10-year limitation prescribed by 31 U.S.C. 3716(c)(1); or

(C) The debtor agrees to pay interest on the amount of the debt on which collection action will be temporarily suspended, and such temporary suspension is likely to enhance the debtor's ability to fully pay the principal amount of the debt with interest at a later date.

(iii) Consideration may be given by the Director, OCHAMPUS, or a designee, to suspend collection action pending action on a request for a review of the government's claim against the debtor or pending an administrative review under § 199.10 of this part of any CHAMPUS claim or claims directly involved in the government's claim against the debtor. Suspension under this paragraph will be based upon appropriate consideration, on a case-by-case basis as to whether:

(A) There is a reasonable possibility that the debt (in whole or in part) will be found not owing from the debtor;

(B) The Government's interest would be protected if suspension were granted by reasonable assurance that the debt would be recovered if the debtor does not prevail; and

(C) Collection of the debt will cause undue hardship.

(6) *Basis for termination.* Collection action may be terminated for one or more of the following reasons:

(i) The United States cannot collect or enforce collection of any significant sum from the debtor having due regard to the judicial remedies available to

the government, the debtor's future financial prospects and the exemptions available to the debtor under state and federal law;

(ii) The debtor cannot be located, and either:

(A) There is no security remaining to be liquidated, or

(B) The applicable statute of limitations has run and the prospects of collecting by offset, notwithstanding the bar of the statute of limitations, are too remote to justify retention of the claim;

(iii) The cost of further collection action is likely to exceed any recovery;

(iv) It is determined that the claim is legally without merit; or

(v) Evidence necessary to prove the claim cannot be produced or the necessary witnesses are unavailable and efforts to induce voluntary payment are unavailing.

(7) *Factors considered.* In determining whether a claim will be compromised, or collection action terminated or suspended, the responsible CHAMPUS collection authority will consider the following factors:

(i) Age and health of the debtor, present and potential income, inheritance prospects, possible concealment or improper transfer of assets and the availability of assets or income which may be realized upon by enforced collection proceedings;

(ii) Applicability of exemptions available to a debtor under state or federal law;

(iii) Uncertainty as to the price which collateral or other property may bring at forced sale; or

(iv) The probability of proving the claim in court, the probability of full or partial recovery, the availability of necessary evidence and related pragmatic considerations.

(8) *Amount of compromise.* The amount acceptable in compromise will be reasonable in relation to the amount that can be recovered by enforced collection proceedings. Consideration shall be given to the following:

(i) The exemptions available to the debtor under state and federal law;

(ii) The time necessary to collect the debt;

(iii) The litigative probabilities involved; and

(iv) The administrative and litigative costs of collection where the cost of collecting the claim is a basis for compromise.

(9) *Payment of compromised claims.* (i) *Time and manner.* Compromised claims are to be paid in one lump sum if possible. However, if payment of a compromise is necessary, a legally enforceable compromise agreement must be obtained. Payment of the amount that CHAMPUS has agreed to accept as a compromise in full settlement of a CHAMPUS claim must be made within the time and in the manner prescribed in the compromise agreement. Any such compromised claim is not settled until the full payment of the compromised amount has been made within the time and the manner prescribed. Compromise agreements must provide for the reinstatement of the prior indebtedness, less sums paid thereon, and acceleration of the balance due upon default in the payment of any installment.

(ii) *Failure to pay the compromised amount.* Failure of any debtor to make payment as provided in the compromise agreement will have the effect of reinstating the full amount of the original claim, less any amounts paid prior to the default.

(10) *Effect of compromise, waiver, suspension or termination of collection action.* Pursuant to the Internal Revenue Code, 26 U.S.C. 6041, compromises and terminations of undisputed debts not discharged in a Title 11 bankruptcy case and totaling $600 or more for the year will be reported to the Internal Revenue Service in the manner prescribed for inclusion in the debtor's gross income for that year. Any action taken under paragraph (g) of this section regarding the compromise of a federal claim, or waiver or suspension or termination of collection action on a federal claim is not an initial determination for purposes of the appeal procedures § 199.10.

(h) *Referrals for collection.* (1) *Prompt referral.* Federal claims of $600 or more on which collection action has been taken in accordance with the provisions of this section and which cannot be collected or compromised or on

which collection action cannot be suspended or terminated, as provided herein, will be promptly referred by the Director, OCHAMPUS, or a designee, to the Department of Justice for litigation in accordance with 4 CFR part 105. Such referrals will be made as early as possible consistent with aggressive collection action by CHAMPUS fiscal intermediaries and OCHAMPUS and well within the period for bringing a timely suit against the debtor. Ordinarily referrals will be made within one year of the OCHAMPUS final determination of the fact and the amount of the debt.

(2) *Report of prior collection actions.* The Director, OCHAMPUS, or a designee, will prepare a Claims Collection Litigation Report (CCLR) for each case referred for collection under the provisions of this section. The CCLR shall also be used when a claim is referred to the Department of Justice in order to obtain approval of that Department with respect to compromise, suspension, or termination when such approval is required by 4 CFR 103.1(b) and 104.1(b). The CCLR will include, as a minimum, the following:

(i) A checklist or brief summary of the actions previously taken to collect or compromise the claim. If any of the required administrative collection actions have been omitted, the reason for its omission must be provided.

(ii) The current address or the debtor, or the same and address of the agent for a corporation upon whom service may be made. Reasonable and appropriate steps will be taken to locate missing parties in all cases. Referrals to the Department of Justice for the institution of foreclosure or other proceedings, in which the current address of any party is unknown, will be accompanied by a listing of the prior known addresses of such party and a statement of the steps taken to locate that party.

(iii) Reasonably current credit data indicating that there is a reasonable prospect of effecting enforced collection from the debtor, having due regard for the exemptions available to the debtor under state and federal law and the judicial remedies available to the government. Such credit data may take the form of a commercial credit report; an agency investigative report showing the debtor's assets, liabilities, income, and expenses; the individual debtor's own financial statement executed under penalty of perjury reflecting the debtor's assets, liabilities, income, and expenses; or an audited balance sheet of a corporate debtor. Such credit data may be omitted if a surety bond is available in an amount sufficient to satisfy the claim in full; the forced sale value of any security available for application to the government's claim is sufficient to satisfy the claim in full; the debtor is in bankruptcy or receivership; the debtor's liability to the government is fully covered by insurance, in which case such information as can be developed concerning the identity and address of the insurer and the type and amount of insurance coverage will be furnished; or the nature of the debtor is such that credit data is not normally available or cannot reasonably be obtained, for example, a unit of state or local government.

(3) *Preservation of evidence.* The Director, OCHAMPUS, or a designee, will take such action as is necessary to ensure that all files, records and exhibits on claims referred hereunder are properly preserved.

(i) Claims Involving Indications of Fraud, Filing of False Claims or Misrepresentation.

Any case in which there is an indication of fraud, filing of false claims or misrepresentation will be promptly referred to the Director, OCHAMPUS, or a designee, for processing. The Director, OCHAMPUS, or a designee, will investigate and evaluate the case and either refer the case to the appropriate investigative law enforcement agency or return the claim for other appropriate administrative action, including collection action under this section. Payment on all CHAMPUS beneficiary or provider claims in which fraud, filing false claims or misrepresentation is suspected will be suspended until payment or denial of the claim is authorized by the Director, OCHAMPUS, or a designee. Collection action on all federal claims in which a suspicion of fraud, misrepresentation or filing false claims arises will be suspended pending

referral to the appropriate law enforcement agencies by the Director, OCHAMPUS, or a designee. Only the Department of Justice has authority to compromise or terminate collection action on such claims.

[51 FR 24008, July 1, 1986, as amended at 62 FR 35097, June 30, 1997; 63 FR 27678, May 20, 1998]

§199.12 Third party recoveries.

(a) *General.* This section deals with the right of the United States to recover the costs of medical care furnished or paid for on behalf of CHAMPUS beneficiaries from third parties. These third parties may be individuals, or entities who are liable for tort damages to the injured CHAMPUS beneficiary or a liability insurance carrier covering the individual or entity. These third parties may also include other entities who are primarily responsible to pay for the medical care provided to the injured beneficiary by reason of an insurance policy, workers' compensation law or other source of primary payment.

(b) *Authority.* (1) *Federal statutory authority.* The Federal Medical Care Recovery Act (42 U.S.C. 2651–2653) provides the basis under which claims may be asserted or other actions taken under this Section. The Federal Medical Care Recovery Act is a statute enacted to authorize the recovery of the reasonable value of medical care furnished or paid for by the United States to a person who is injured or suffers a disease under circumstances creating tort liability in a third party. This Act is implemented by Executive Order 11060 and an Attorney General regulation, 28 CFR part 43.

(2) *Other authority.* Third party recoveries may arise in whole or in part under authorities other than the Medical Care Recovery Act. These include, but are not limited to:

(i) State Workers' Compensation Laws

(ii) State hospital lien laws

(iii) State no-fault or uninsured motorist statutes

(iv) Contract rights under terms of insurance policies.

(c) *Policy.* CHAMPUS third party recovery claims can be complex and difficult to administer because they often involve recovery potential from multiple sources. It is essential that all persons responsible for taking action under this section have adequate training and support in this area. The Director, OCHAMPUS, or a designee, will insure that CHAMPUS personnel (including fiscal intermediary personnel) responsible for taking any action under this section are adequately trained and supported to take timely and effective action. Responsibility for taking third party recovery action at various times can rest with either fiscal intermediary personnel, OCHAMPUS employees, or uniformed service claims asserting authorities. For this reason close coordination between those responsible for any action under this section is essential. Care must also be taken to insure that appropriate action to assert any third party recovery right is taken in sufficient time to preclude the running of any applicable statute of limitations or other bar to the government's right to recover.

(d) *Appealability.* This section describes the procedures to be followed in the assertion and collection of third party recovery claims in favor of the United States arising from the operation of CHAMPUS. Actions taken under this section are not initial determinations for the purpose of the appeal procedures of §199.10 of this part. However, the proper exercise of the right to appeal benefit or provider status determinations under the procedures set forth in §199.10 may affect the processing of federal claims arising under this section. Those appeal procedures afford a CHAMPUS beneficiary or participating provider an opportunity for administrative appellate review in cases in which benefits have been denied and in which there is a significant factual dispute. For example, a fiscal intermediary may deny payment for services which are determined to be excluded as CHAMPUS benefits because they are found to be not medically necessary. In that event the fiscal intermediary will offer an administrative appeal as provided in §199.10 of this part on the medical necessity issue raised by the adverse benefit determination. If the care in question results from an accidental injury and if the appeal results in a reversal of the

initial determination to deny the benefit, a third party recovery claim may arise as a result of the appeal decision to pay the benefit. However, in no case is the decision to initiate such a claim itself appealable under § 199.10 of this part.

(e) *Federal Medical Care Recovery Act Claims.* (1) *General.* The Federal Medical Care Recovery Act (FMCRA) (42 U.S.C. 2651–2653) provides that in any case in which the United States is authorized or required by law to furnish or pay for hospital, medical, surgical or dental care and treatment to a person who is injured or suffers a disease under circumstances creating tort liability in some third person to pay damages for that care, the United States has a right to recover from the third person the reasonable value of the care and treatment furnished or to be furnished.

(2) *Obligations of persons receiving treatment.* To insure the expeditious and efficient processing of Federal Medical Care Recovery Act claims, any person furnished care and treatment under CHAMPUS, his or her guardian, personal representative, counsel, estate, dependents or survivors shall be required:

(i) To provide complete information regarding the circumstances surrounding an injury as a condition precedent to the processing of a CHAMPUS claim involving possible third-party liability.

(ii) To assign in writing to the United States his or her claim or cause of action against the third person to the extent of the reasonable value of the care and treatment furnished, or to be furnished, or any portion thereof;

(iii) To furnish such additional information as may be requested concerning the circumstances giving rise to the injury or disease for which care and treatment are being given and concerning any action instituted or to be instituted by or against a third person;

(iv) To notify the responsible recovery judge advocate, the CHAMPUS fiscal intermediary or General Counsel, OCHAMPUS, or other officer who is representing the interests of the government at the time, of a settlement with, or an offer of settlement from a third person; and,

(v) To cooperate in the prosecution of all claims and actions by the United States against such third person.

(3) *Responsibility for recovery.* The Director, OCHAMPUS, or a designee, is responsible for insuring that CHAMPUS claims arising under the Federal Medical Care Recovery Act are properly referred to and coordinated with the Uniformed Services. Generally, federal claims arising under this statute will be processed as follows:

(i) *Identification and referral of Federal Medical Care Recovery Act claims.* (A) *CHAMPUS fiscal intermediaries.* In most cases where medical care is provided by civilian providers and payment for such care has been made by a CHAMPUS fiscal intermediary, initial identification of potential third-party liability will be by the CHAMPUS fiscal intermediary. In such cases, the CHAMPUS fiscal intermediary is responsible for conducting a preliminary investigation and referring the case to designated appropriate legal officers of the Uniformed Services.

(B) *Initial identification by other agencies.* Occasionally, cases involving potential third-party liability may be initially identified by offices, agencies or individuals other than a CHAMPUS fiscal intermediary. When this occurs, these cases should be initially referred to the General Counsel, OCHAMPUS, Aurora, CO 80045–6900, for evaluation. If appropriate, the General Counsel, OCHAMPUS, may refer the case to the fiscal intermediary or the designated Uniformed Service legal office for action.

(ii) *Processing CHAMPUS claims.* When the CHAMPUS fiscal intermediary initially identifies a claim as involving potential third-party liability, it shall request additional information concerning circumstances of the injury or disease from the beneficiary or other responsible party unless adequate information is submitted with the claim. The information normally is obtained by requesting the beneficiary to complete a personal injury questionnaire. The CHAMPUS claim will be suspended and no payment issued pending receipt of the third-party liability information. If the requested third-party liability information is not received, the

claim will be denied. A CHAMPUS beneficiary may expedite the processing of his or her CHAMPUS claim by submitting a completed third-party liability questionnaire with the first claim for treatment of an accidential injury. Third-party liability information normally is required only once concerning any single accidental injury. Once the third-party liability information pertaining to a single incident or episode of care is received, subsequent claims associated with the same incident or episode of care may be processed to payment in the usual manner. If, however, the requested third-party liability information is not received, subsequent claims involving the same incident or episode of care will be suspended or denied as stated above.

(iii) *Ascertaining total potential liability.* It is essential that the legal office responsible for asserting the claim against the third party receive from the CHAMPUS fiscal intermediary a report of all amounts expended by the United States for care resulting from the incident upon which potential liability in the third party is based (including amounts paid by CHAMPUS for both inpatient and outpatient care). Prior to assertion and final settlement of a claim, it will be necessary for the responsible legal office to secure from the CHAMPUS fiscal intermediary updated information to insure that all amounts expended under CHAMPUS are included in the government's claim. It is equally important that information on future medical payments be obtained through the investigative process and included as a part of the government's claim. No CHAMPUS-related claim will be settled, compromised or waived without full consideration being given to the possible future medical payment aspects of the individual case.

(4) *Representing the government's interest.* The government's right to recover the amounts expended for the patient's medical care is independent of the right the patient has to assert a claim against the third person for damages. The existence of the government's right, however, is dependent upon establishing the liability of the third person under ordinary principles of law.

(i) *Department of Justice.* Frequently, collection actions under the Federal Medical Care Recovery Act must be referred to the Department of Justice for litigation. This is usually necessary because either the administrative collection action has been unsuccessful or the injured party has initiated suit and the government must be joined to protect its interests. When such referrals involve significant cases in which the dollar amount of the potential recovery on CHAMPUS claims exceeds $40,000 or involve a unique or significant legal issue, notice of the referral will be provided to the General Counsel, OCHAMPUS. Upon request by the Uniformed Service involved, the General Counsel, OCHAMPUS, will assist in the coordination of any use with the Department of Justice.

(ii) *Private attorneys.* The attorney for the injured beneficiary may be requested to represent the interests of the government and join both claims in a single action against the third person. Such representation of the government's interest normally must be made at no expense to the government. However, when such representation of the government's interest is undertaken by the injured party's attorney for the government, offices and agencies involved will extend full cooperation to the injured party's attorney to insure that the government's interests are fully protected. The coordination of such cases is normally the responsibility of the designated Uniformed Service claims office. However, the General Counsel, OCHAMPUS, may be requested to provide assistance in coordinating CHAMPUS matters relating to these cases. If the attorney representing the injured beneficiary does not wish to join the government's claim with that of his or her client, and court action is required to recover the amount expended for the patient's medical care, intervention or an independent suit may be initiated by the United States for the reasonable value of the care or treatment provided.

(5) *Settlement and waiver of Federal Medical Care Recovery Act claims.* (i) *Authority of the Uniformed Services legal offices.* Uniformed Services legal offices may, under the authority and provisions of regulations prescribed by their

respective departments, (A) accept the full amount of a claim and execute a release therefore, (B) compromise or settle and execute a release of any claim, not in excess of $40,000, which has been referred to it under the provisions of this section, or (C) waive, and in this connection, release any claim not in excess of $40,000 in whole or in part, either for the convenience of the government, or if it is determined that collection would result in undue hardship upon the person who suffered the disease or injury resulting in the care and treatment provided under the CHAMPUS.

(ii) *Department of Justice approval required.* A claim in excess of $40,000 may be compromised, settled, waived and released only with the prior approval of the Department of Justice. The Department of Justice is also to be consulted in all cases involving:

(A) Unusual circumstances,

(B) A new point of law which may serve as a precedent, or

(C) A policy question where there is or may be a difference of views between federal departments and agencies.

(iii) *Limitation on the authority of the Uniformed Services legal offices.* The authority of compromise, settlement, waiver and release described by § 199.12(e)(5) can not be exercised in any case in which (A) the claim of the United States for such care and treatment has been referred to the Department of Justice, or (B) a suit by the third party has been instituted against the United States or the individual who received or is receiving the care and treatment described herein and the suit arises out of the occurrence which gave rise to the third-party claim of the United States.

(6) *Reporting requirements.* The Department of Defense is required to submit an annual report to the Attorney General stating the number and dollar amount of claims asserted against, and the number and dollar amount of recoveries from third persons for third-party federal claims arising from the operation of the CHAMPUS. To facilitate the preparation of this report and to maintain program integrity, the following reporting requirements are established:

(i) *CHAMPUS fiscal intermediaries.* Each CHAMPUS fiscal intermediary shall submit on or before January 31 of each year an annual report to the Director, OCHAMPUS, or a designee, covering the 12 months of the previous calendar year. This report shall contain, as a minimum, the number and total dollar amount of cases investigated for potential third-party liability and the number and dollar amount of cases referred to Uniformed Services claims offices for further investigation and collection. These latter figures are to be itemized by the states and Uniformed Services to which the cases are referred.

(ii) *Uniformed Services.* Each Uniformed Service will submit an annual report covering the 12 calendar months of the previous year, setting forth, as a minimum, the number and total dollar amount of cases involving CHAMPUS payments received from CHAMPUS fiscal intermediaries, the number and dollar amount of cases involving CHAMPUS payments received from other sources, and the number and dollar amount of claims actually asserted against, and the dollar amount of recoveries from, third persons. The report, itemized by state and foreign claims jurisdictions, shall be provided no later than February 28 of each year, by each Uniformed Service to the Director, OCHAMPUS, or a designee.

(iii) *Implementation of the reporting requirements.* The reporting requirements prescribed by paragraph (e)(6)(i) of his section, are to be implemented by the Director, OCHAMPUS, or a designee, by an appropriate action. The reporting requirements prescribed by paragraph (e)(6)(ii), of this section are to be implemented as soon as practicable by agreement between the Director, OCHAMPUS, or a designee, and the affected reporting agency. In no event will the reporting requirements prescribed in paragraph (e)(6)(ii) of this section, be implemented later than December 23, 1988.

(f) *Automobile or other medical payment insurance, no-fault insurance, or uninsured motorist insurance.* Payment may not be made under CHAMPUS for any medical service or supply to the extent that payment has been made or can reasonably be expected to be made for

the service or supply under medical insurance or other plan, automobile medical payment insurance policy or plan, uninsured motorist insurance, no-fault insurance or other forms of medical payments protection. Unless all or a portion of a payment under a no-fault or uninsured motorist insurance policy is designated as reimbursement for medical expenses or for some other policy benefit, the full amount of all such undesignated payments shall be deemed to be for medical expenses incurred by the policy beneficiary. Where a CHAMPUS beneficiary is covered by no-fault or uninsured motorist insurance, CHAMPUS benefits will not become available until the CHAMPUS beneficiary furnishes written documentation that he or she has incurred medical expenses equal to the full amount of the payment received under the policy, or to that portion of the total payment received which was designated for medical expenses. Based upon the results of the investigation described in paragraph (e)(3)(ii) of this section, the fiscal intermediary will segregate all claims involving treatment of personal injuries for which it is likely that such other insurance is available. These claims will be processed initially as double coverage claims under the provisions of §199.8 of this part. Any CHAMPUS payments made after the double coverage provisions have been fully complied with will be considered for possible third-party liability recovery under the provisions of this section.

(g) *Worker's Compensation Claims.* Based upon the results of the investigation described in paragraph (e)(3)(ii) of this section, the fiscal intermediary will segregate all claims involving treatment of work-related injuries. These claims will be processed initially as double coverage claims under §199.8 of this part dealing with worker's compensation claims. Any CHAMPUS payments made after the double coverage provisions have been fully complied with will be considered for possible third-party liability recovery under the provisions of this section. Unless all or a portion of a payment made pursuant to a worker's compensation claim is designated as reimbursement for medical expenses or for some other policy benefit, the full amount of all such undesignated payments shall be deemed to be for medical expenses incurred by the policy beneficiary.

(h) *Mixed claims.* Occasionally, a claim arising under the Medical Care Recovery Act will be referred to a claims collection authority which also has some other potential for recovery. A typical example of such a claim is one arising as the result of an automobile accident in which there is a likely tortfeasor and the injured party is also covered by some combination of other health insurance which is primary to CHAMPUS, such as, worker's compensation, or a medical payments provision of an automobile policy. These claims will also initially be processed as double coverage claims. In addition, agency claims collection authorities should take full cognizance of all avenues of potential recovery as long as there is any potential for recovery from the tortfeasor. Once final action has been taken, any remaining possible recovery under the Federal Claims Collection Act may be referred to the General Counsel, OCHAMPUS, for further action in accordance with §199.11 of this part. Such referrals should contain a complete report of all actions taken on the case and full and complete documentation of the claims involved.

§199.13 Active duty dependents dental plan.

(a) *General provisions*—(1) *Purpose.* This section prescribes guidelines and policies for the delivery and administration of the Active Duty Dependents Dental Plan of the Uniformed Services for the Army, the Navy, the Air Force, the Marine Corps, the Coast Guard, the Commissioned Corps of the U.S. Public Health Service (USPHS), and the Commissioned Corps of the National Oceanic and Atmospheric Administration (NOAA).

(2) *Applicability*—(i) *Geographic.* This section is applicable geographically within the 50 States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, and the U.S. Virgin Islands.

(ii) *Agency.* The provisions of this section apply throughout the Department of Defense (DoD), the Coast

Guard, the Commissioned Corps of the USPHS, and the Commissioned Corps of the NOAA.

(3) *Authority and responsibility*—(i) *Legislative authority*—(A) *Joint regulations.* 10 U.S.C. chapter 55, 1076a authorizes the Secretary of Defense, in consultation with the Secretary of Health and Human Services and the Secretary of Transportation, to prescribe regulations for the administration of the Active Duty Dependents Dental Plan.

(B) *Administration.* 10 U.S.C. chapter 55 also authorizes the Secretary of Defense to administer the Active Duty Dependents Dental Plan for the Army, Navy, Air Force, and Marine Corps under DoD jurisdiction, the Secretary of Transportation to administer the Active Duty Dependents Dental Plan for the Coast Guard, when the Coast Guard is not operating as a service in the Navy, and the Secretary of Health and Human Services to administer the Active Duty Dependents Dental Plan for the Commissioned Corps of the NOAA and the USPHS.

(C) *Care outside the United States.* 10 U.S.C. 1076a authorizes the Secretary of Defense to establish basic dental benefit plans for eligible dependents of members of the uniform services accompanying the member on permanent assignments of duty outside the United States.

(ii) *Organizational delegations and assignments*—(A) *Assistant Secretary of Defense (Health Affairs) (ASD(HA)).* The Secretary of Defense, by 32 CFR part 367, delegated authority to the ASD(HA) to provide policy guidance, management control, and coordination as required for all DoD health and medical resources and functional areas including health benefit programs. Implementing authority is contained in 32 CFR part 367. For additional implementing authority see § 199.1 (c) of this part.

(B) *Evidence of eligibility.* The Department of Defense, through the defense Enrollment Eligibility Reporting System (DEERS), is responsible for establishing and maintaining a listing of persons eligible to receive benefits under the Active Duty Dependents Dental Plan.

(4) *Active duty dependents dental benefit plan.* This is a program of dental benefits provided by the U.S. Government under public law to specified categories of individuals who are qualified for these benefits by virtue of their relationship to one of the seven Uniformed Services, and their voluntary decision to accept enrollment in the program and cost share with the Government in the premium cost of the benefits. The Dependents Dental Plan is an insurance, service, or prepayment plan involving a contract guaranteeing the indemnification or payment of the enrolled member's dependents against a specified loss in return for a premium paid. Where state regulations, charter requirements, or other provisions of state and local regulation governing dental insurance and prepayment programs conflict with Federal law and regulation governing this Program, Federal law and regualtion shall govern. Otherwise, this Program shall comply with state and local regulatory requirements.

(5) *Plan funds*—(i) *Funding sources.* The funds used by the Active Duty Dependents Dental Plan are appropriated funds furnished by the Congress through the annual appropriation acts for the Department of Defense and the Department of Health and Human Services and funds collected by the Uniformed Services monthly through payroll deductions as premium shares from enrolled members.

(ii) *Disposition of funds.* Plan funds are paid by the Government as premiums to an insurer, service, or prepaid dental care organization under a contract negotiated by the Director, OCHAMPUS, or a designee, under the provisions of the Federal Acquisition Regulation (FAR).

(iii) *Plan.* The Director, OCHAMPUS or designee provides an insurance policy, service plan, or prepaid contract of benefits in accordance with those prescribed by law and regulation; as interpreted and adjudicated in accord with the policy, service plan, or contract and a dental benefits brochure; and as prescribed by requirements of the dental plan organization's contract with the government.

(iv) *Contracting out.* The method of delivery of the Active Duty Dependents

Dental Benefit Plan is through a competitively procured contract. The Director, OCHAMPUS, or a designee is responsible for negotiating, under provisions of the FAR, a contract for dental benefits insurance or prepayment which includes responsibility for (A) development, publication, and enforcement of benefit policy, exclusions, and limitations in compliance with the law, regulation, and the contract provisions; (B) adjudicating and processing claims; and conducting related supporting activities, such as eligibility verification, provider relations, and beneficiary communications.

(6) *Role of Health Benefits Advisor (HBA).* The HBA is appointed (generally by the commander of a Uniformed Services medical treatment facility) to serve as an advisor to patients and staff in matters involving the Active Duty Dependents Dental Plan. The HBA may assist beneficiaries or sponsors in applying for benefits, in the preparation of claims, and in their relations with OCHAMPUS and the dental plan insurer. However, the HBA is not responsible for the plan's policies and procedures and has no authority to make benefit determinations or obligate the plan's funds. Advice given to beneficiaries as to determination of benefits or level of payment is not binding on OCHAMPUS or the insurer.

(7) *Disclosure of information to the public.* Records and information acquired in the administration of the Active Duty Dependents Dental Plan are not records of the Department of Defense. The records are established by the Dependents Dental Plan insurer in accordance with standard business practices of the industry, and are used in the determination of eligibility, program management and operations, utilization review, quality assurance, program integrity, and underwriting in accordance with standard business practices. By contract, the records and information are subject to government audit and the government receives reports derived from them. Records and information specified by contract are provided by an outgoing insurer to a successor insurer in the event of a change in the contractor.

(8) *Equality of benefits.* All claims submitted for benefits under the Active Duty Dependents Dental Plan shall be adjudicated in a consistent, fair, and equitable manner, without regard to the rank of the sponsor.

(9) *Coordination of benefits.* The dental plan insurer shall conduct coordination of benefits for the Active Duty Dependents Dental Plan in accordance with generally accepted business practices.

(10) *Information on participating providers.* The Director, OCHAMPUS or designee, shall develop and make available to Uniformed Services Health Benefits Advisors and military installation personnel centers copies of lists of participating providers and providers accepting assignment for all localities with significant numbers of dependents of active duty members. In addition, the Director, OCHAMPUS or designee, shall respond to inquiries regarding availability of participating providers in areas not covered by the lists of participating providers.

(b) *Definitions.* For most definitions applicable to the provisions of this section, refer to section § 199.2. The following definitions apply only to this section.

Assignment. Acceptance by a nonparticipating provider of payment directly from the insurer while reserving the right to charge the beneficiary or sponsor for any remaining amount of the fees for services which exceeds the prevailing fee allowance of the insurer.

Authorized provider. A dentist or dental hygienist specifically authorized to provide benefits under the Active Duty Dependents Dental Plan in paragraph (f) of this section.

Beneficiary. A dependent of an active duty member who has been enrolled in the Active Duty Dependents Dental Plan, and has been determined to be eligible for benefits, as set forth in paragraph (c) of this section.

Beneficiary liability. The legal obligation of a beneficiary, his or her estate, or responsible family member to pay for the costs of dental care or treatment received. Specifically, for the purposes of services and supplies covered by the Active Duty Dependents Dental Benefit Plan, beneficiary liability includes cost-sharing amounts and any amount above the prevailing fee determination by the insurer where the provider selected by the beneficiary is

not a participating provider or a provider within an approved alternative delivery system. Beneficiary liability also includes any expenses for services and supplies not covered by the Active Duty Dependents Dental Benefit Plan, less any discount provided as a part of the insurer's agreement with an approved alternative delivery system.

By report. Dental procedures which are authorized as benefits only in unusual circumstances requiring justification of exceptional conditions related to otherwise authorized procedures. For example, a house call might be justified based on an enrolled dependent's severe handicap which prevents visits in the dentist's office for traditional prophylaxis. Alternatively, additional drugs might be required separately from an otherwise authorized procedure because of an emergent reaction caused by drug interaction during the performance of a restoration procedure. These services are further defined in paragraph (e) of this section.

Cost-Share. The amount of money for which the beneficiary (or sponsor) is responsible in connection with otherwise covered dental services (other than disallowed amounts) as set forth in paragraphs (d) (6) and (e) of this section. Cost-sharing may also be referred to as ''co-payment.''

Defense Enrollment Eligibility Reporting System (DEERS). The automated system that is composed of two phases:

(1) Enrolling all active duty and retired service members, their dependents, and the dependents of deceased service members, and

(2) Verifying their eligibility for health care benefits in the direct care facilities and through the Active Duty Dependents Dental Plan.

Dental hygienist. Practitioner in rendering complete oral prophylaxis services, applying medication, performing dental radiography, and providing dental education services with a certificate, associate degree, or bachelor's degree in the field, and licensed by an appropriate authority.

Dentist. Doctor of Dental Medicine (D.M.D.) or Doctor of Dental Surgery (D.D.S.) who is licensed to practice dentistry by an appropriate authority.

Diagnostic services. Category of dental services including: (1) Clinical oral examinations, (2) radiographic examinations, and (3) diagnostic laboratory tests and examinations provided in connection with other dental procedures authorized as benefits of the Active Duty Dependents Dental Plan and further defined in paragraph (e) of this section.

Emergency palliative services. Minor procedures performed for the immediate relief of pain and discomfort as further defined in paragraph (e) of this section. This definition excludes those procedures other than minor palliative services which may result in the relief of pain and discomfort, but constitute the usual initial stage or conclusive treatment in procedures not otherwise defined as benefits of the Active Duty Dependents Dental Plan.

Endodontics. The etiology, prevention, diagnosis, and treatment of diseases and injuries affecting the dental pulp, tooth root, and periapical tissue as further defined in paragraph (e) of this section.

Initial determination. A formal written decision on an Active Duty Dependents Dental Plan claim, a request by a provider for approval as an authorized provider, or a decision disqualifying or excluding a provider as an authorized provider under the Active Duty Dependents Dental Plan. Rejection of a claim or a request for benefit or provider authorization for failure to comply with administrative requirements, including failure to submit reasonably requested information, is not an initial determination. Responses to general or specific inquiries regarding Active Duty Dependent Dental Plan benefits are not initial determinations.

Laboratory and Pathology Services. Laboratory and pathology examinations (including machine diagnostic tests that produce hard-copy results) ordered by a dentist when necessary to, and rendered in connection with other covered dental services.

Nonparticipating provider. A dentist or dental hygienist that furnished dental services to an Active Duty Dependents Dental Plan beneficiary, but who has not agreed to participate or to accept the insurer's fee allowances and applicable cost share as the total charge for

the services. A nonparticipating provider looks to the beneficiary or sponsor for final responsibility for payment of his or her charge, but may accept payment (assignment of benefits) directly from the insurer or assist the beneficiary in filing the claim for reimbursement by the contractor. Where the nonparticipating provider does not accept payment directly from the insurer, the insurer pays the beneficiary or sponsor, not the provider.

Oral surgery. Surgical procedures performed in the oral cavity as further defined in paragraph (e) of this section.

Orthodontics. The supervision, guidance, and correction of the growing or mature dentofacial structures, including those conditions that require movement of teeth or correction or malrelationships and malformations of their related structures and adjustment of relationships between and among teeth and facial bones by the application of forces and/or the stimulation and redirection of functional forces within the craniofacial complex.

Participating provider. A dentist or dental hygienist who has agreed to accept the insurer's reasonable fee allowances or other fee arrangements as the total charge (even though less than the actual billed amount), including provision for payment to the provider by the beneficiary (or sponsor) of any cost-share for services.

Party to a hearing. An appealing party or parties, the insurer, and OCHAMPUS.

Party to the initial determination. Includes the Active Duty Dependents Dental Plan, a beneficiary of the Active Duty Dependents Dental Plan and a participating provider of services whose interests have been adjudicated by the initial determination. In addition, a provider who has been denied approval as an authorized Active Duty Dependents Dental Plan provider is a party to that initial determination, as is a provider who is disqualified or excluded as an authorized provider, unless the provider is excluded under another federal or federally funded program. See paragraph (h) of this section for additional information concerning parties not entitled to administrative review under the Active Duty Dependents Dental Plan appeals procedures.

Periodontics. The examination, diagnosis, and treatment of diseases affecting the supporting structures of the teeth as further defined in paragraph (e) of this section.

Preventive services. Traditional prophylaxis including scaling deposits from teeth, polishing teeth, and topical application of fluoride to teeth as further defined in paragraph (e) of this section.

Prosthodontics. The diagnosis, planning, making, insertion, adjustment, relinement, and repair of artificial devices intended for the replacement of missing teeth and associated tissues as further defined in paragraph (e) of this section.

Provider. A dentist or dental hygienist as specified in paragraph (f) of this section.

Representative. Any person who has been appointed by a party to the initial determination as counsel or advisor and who is otherwise eligible to serve as the counsel or advisor of the party to the initial determination, particularly in connection with a hearing.

Restorative services. Restoration of teeth including those procedures commonly described as amalgam restorations, resin restorations, pin retention, and stainless steel crowns for primary teeth as further defined in paragraph (e) of this section.

Sealants. A material designed for application on the occlusal surfaces of specified teeth to seal the surface irregularities to prevent ingress of oral fluids, food, and debris in order to prevent tooth decay.

(c) *Enrollment and eligibility*—(1) *General.* 10 U.S.C. 1076a, 1072(2)(A), (D) or (I) and 1072(6) set forth those persons who are eligible for voluntary enrollment in the Active Duty Dependents Dental Benefit Plan. A determination that a person is eligible for voluntary enrollment does not automatically entitle that person to benefit payments. The person must be enrolled in accordance with the provisions set forth in this section and meet any additional eligibility requirements in other sections of this part in order for dental benefits to be extended.

(2) *Persons eligible. Dependent.* A person who bears one of the following relationships to an active duty member

(under a call or order that does not specify a period of 30 days or less).

(i) *Spouse.* A lawful husband or wife, regardless of whether or not dependent upon the active duty member.

(ii) *Child.* To be eligible, the child must be unmarried and meet one of the requirements of this section.

(A) A legitimate child.

(B) An adopted child whose adoption has been completed legally.

(C) A legitimate stepchild.

(D) An illegitimate child of a male member whose paternity has been determined judicially, or an illegitimate child of record of a female member who has been directed judicially to support the child.

(E) An illegitimate child of a male active duty member whose paternity has not been determined judicially, or an illegitimate child of record of a female active duty member who:

(*1*) Resides with or in a home provided by the member and

(*2*) Is and continues to be dependent upon the member for over 50 percent of his or her support.

(F) An illegitimate child of the spouse of an active duty member (that is, the active duty member's stepchild) who:

(*1*) Resides with or in a home provided by the active duty member or the parent who is the spouse of the member and

(*2*) Is and continues to be dependent upon the member for over 50 percent of his or her support.

(G) A child placed in the custody of a service member by a court or recognized adoption agency on or after October 5, 1994, in anticipation of a legal adoption.

(H) In addition to meeting one of the criteria (A) through (F) of this paragraph (c)(2), the child:

(*1*) Must not be married.

(*2*) Must be in one of the following three age groups:

(*A*) Not passed his or her 21st birthday.

(*B*) Passed his or her 21st birthday, but incapable of self-support because of a mental or physical incapacity that existed before his or her 21st birthday and dependent on the member for over 50 percent of his or her support. Such incapacity must be continuous. If the incapacity significantly improves or ceases at any time after age 21, even if such incapacity recurs subsequently, eligibility cannot be reinstated on the basis of the incapacity. If the child was not handicapped mentally or physically at his or her 21st birthday, but becomes so incapacitated after that time, no eligibility exists on the basis of the incapacity.

(*C*) Passed his or her 21st birthday, but not his or her 23rd birthday, dependent upon the member for over 50 percent of his or her support, and pursuing a full-time course of education in an institution of higher learning approved by the Secretary of Defense or the Department of Education (as appropriate) or by a state agency under 38 U.S.C., chapters 34 and 35.

NOTE: Courses of education offered by institutions listed in the ''Education Directory, Part 3, Higher Education'' or ''Accredited Higher Institutions,'' issued periodically by the Department of Education meet the criteria approved by the Secretary of Defense or the Department of Education, (refer to § 199.3(b)(2)(iv)(C)(*1*) of this section). For determination of approval of courses offered by a foreign institution, by an institution not listed in either of the above directories, or by an institution not approved by a state agency pursuant to chapters 34 and 35 of 38 U.S.C., a statement may be obtained from the Department of Education, Washington, DC 20202.

(3) *Enrollment*—(i) *Basic active duty dependents dental benefit plan.* The dependent dental plan is effective from August 1, 1987, up to the date of implementation of the Expanded Active Duty Dependents Dental Benefit Plan.

(A) *Initial enrollment.* Eligible dependents of members on active duty status as of August 1, 1987 are automatically enrolled in the Active Duty Dependents Dental Plan, except where any of the following conditions apply:

(*1*) Remaining period of active duty at the time of contemplated enrollment is expected by the active duty member or the Uniformed Service to be less than two years, except that such members' dependents may be enrolled during the initial enrollment period for benefits beginning August 1, 1987 provided that the member had at least six months remaining in the initial enlistment term. Enrollment of dependents is for a period of 24 months, subject to

the exceptions provided in paragraph (c)(5) of this section.

(*2*) Active duty member had completed an election to disenroll his or her dependents from the Basic Active Duty Dependents Dental Benefit Plan.

(*3*) Active duty member had only one dependent who is under four years of age as of August 1, 1987, and the member did not complete an election form to enroll the child.

(B) *Subsequent enrollment.* Eligible active duty members may elect to enroll their dependents for a period of not less than 24 months, provided there is an intent to remain on active duty for a period of not less than two years by the member and the Uniformed Service.

(C) *Inclusive family enrollment.* All eligible dependents of the active duty member must be enrolled if any were enrolled, except that a member may elect to enroll only those dependents who are remotely located from the member (e.g., a child living with a divorced spouse or a child in college).

(ii) *Expanded active duty dependents dental benefit plan.* The expanded dependents dental plan is effective on August 1, 1993. The Basic Active Duty Dependents Dental Benefit Plan terminated upon implementation of the expanded plan.

(A) *Initial enrollment.* Enrollment in the Expanded Active Duty Dependents Dental Benefit Plan is automatic for all eligible dependents of active duty members known to have at least 24 months remaining in service, and for those dependents enrolled in the Basic Dependents Dental Benefit Plan regardless of the military member's remaining time in service unless the active duty member elects to disenroll his or her dependents during the one-time disenrollment option period (one-month period before the date on which the expanded plan went into effect, and for 4 months after the beginning date). Those active duty members who intend to remain in the service for 24 months or more, whose dependents were not automatically enrolled, may enroll them at their military personnel office by completing the appropriate Uniformed Services Active Duty Dependents Dental Plan Enrollment Election Form. Use of the new plan during the one-time disenrollment option period by a dependent enrolled in the Basic Active Duty Dependents Dental Benefit Plan, constitutes acceptance of the plan by the military sponsor and his or her family. Once the new plan is used, the family cannot be disenrolled, and the premiums will not be refunded.

(B) *Subsequent enrollment.* Eligible active duty members may elect to enroll their dependents for a period of not less than 24 months, provided there is an intent to remain on active duty for a period of not less than two years by the member and the Uniformed Service.

(C) *Inclusive family enrollment.* All eligible dependents of the active duty member must be enrolled if any are enrolled, except as defined in paragraphs (c)(3)(ii)(C) (*1*) and (*2*) of this section.

(*1*) Enrollment will be by either single or family premium as defined herein:

(*i*) *Single premium.* (*A*) Sponsors with only one family member age four (4) or older who elect to enroll that family member; or

(*B*) Sponsors who have more than one family member under age four (4) may elect to enroll one (1) family member under age four (4); or

(*C*) Sponsors who elect to enroll one (1) family member age four or older but may have any number of family members under age four (4) who are not elected to be covered. At such time when the sponsor elects to enroll more than one (1) eligible family member, regardless of age, the sponsor must then enroll under a family premium which covers all eligible family members.

(*ii*) *Family premium.* (*A*) Sponsors with two (2) or more eligible family members age four (4) or older must enroll under the family premium.

(*B*) Sponsors with one (1) eligible family member age four (4) or older and one (1) or more eligible family members under the age of four may elect to enroll under a family premium.

(*C*) Under the family premium, all eligible family members of the sponsor are enrolled.

(*2*) *Exceptions.* (*i*) A sponsor may elect to enroll only those eligible family members residing in one location when the sponsor has other eligible family

members residing in two or more physically separate locations (e.g., children living with a divorced spouse; children attending college).

(*ii*) Instances where a family member requires hospital or special treatment environment (due to a medical, physical handicap, or mental condition) for dental care otherwise covered by the dental plan, the family member may be excluded from the dental plan enrollment and may continue to receive care from a military treatment facility.

(D) *Enrollment period.* Enrollment of dependents is for a period of 24 months except when:

(*1*) The dependent's enrollment is based on his or her enrollment in the Basic Active Duty Dependents Dental Benefit; or

(*2*) One of the conditions for disenrollment in paragraph (c)(5) of this section is met.

(4) *Beginning dates of eligibility*—(i) *Basic active duty dependents dental benefit plan*—(A) *Initial enrollment.* The beginning date of eligibility for benefits is August 1, 1987.

(B) *Subsequent enrollment.* The beginning date of eligibility for benefits is the first day of the month following the month in which the election of enrollment is completed, signed, and received by the active duty member's Service representative, except that the date of eligibility shall not be earlier than September 1, 1987.

(ii) *Expanded active duty dependents dental benefit plan*—(A) *Initial enrollment.* The beginning date of eligibility for benefits is April 1, 1993.

(B) *Subsequent enrollment.* The beginning date of eligibility for benefits is the first day of the month following the month in which the election of enrollment is completed, signed, and received by the active duty member's Service representative, except that the date of eligibility shall not be earlier than the first of the month following the month of implementation of the expanded benefit.

(5) *Changes in and termination of enrollment*—(i) *Changes in status of active duty member.* When an active duty member's period of active duty ends for any reason, his or her dependents lose their eligibility as of 11:59 p.m. of the last day of the month in which the active duty ends.

(ii) *Termination of eligibility for basic pay.* When a member ceases to be eligible for basic pay, eligibility of the member's dependents for benefits under the Dependents Dental Plan terminates as of 11:59 p.m. of the day the member became ineligible for basic pay and the Uniformed Service must notify the Plan of disenrollment based on termination of eligibility for basic pay. The member whose eligibility for basic pay is subsequently restored may enroll his or her dependents for a minimum of two years in accordance with § 199.13(c)(3)(ii).

(iii) *Changes in status of dependent*—(A) *Divorce.* A spouse separated from an active duty member by a final divorce decree loses all eligibility based on his or her former marital relationship as of 11:59 p.m. of the last day of the month in which the divorce becomes final. The eligibility of the member's own children (including adopted and eligible illegitimate children) is unaffected by the divorce. An unadopted stepchild, however, loses eligibility with the termination of the marriage, also as of 11:59 p.m. of the last day of the month in which the divorce becomes final.

(B) *Annulment.* A spouse whose marriage to an active duty member is dissolved by annulment loses eligibility as of 11:59 p.m. of the last day of the month in which the court grants the annulment order. The fact that the annulment legally declares the entire marriage void from its inception does not affect the termination date of eligibility. When there are children, the eligibility of the member's own children (including adopted and eligible illegitimate children) is unaffected by the annulment. An unadopted stepchild, however, loses eligibility with the annulment of the marriage, also as of 11:59 p.m. of the last day of the month in which the court grants the annulment order.

(C) *Adoption.* A child of an active duty member who is adopted by a person, other than a person whose dependents are eligible for the Active Duty Dependents Dental Plan benefits while the active duty member is living, thereby severing the legal relationship between the child and the sponsor,

loses eligibility as of 11:59 p.m. of the last day of the month in which the adoption becomes final.

(D) *Marriage of child.* A child of an active duty member who marries a person whose dependents are not eligible for the Active Duty Dependents Dental Plan, loses eligibility as of 11:59 p.m. on the last day of the month in which the marriage takes place. However, should the marriage be terminated by death, divorce, or annulment before the child is 21 years old, the child again becomes eligible for enrollment as a dependent as of 12:00 a.m. of the first day of the month following the month in which the occurrence takes place that terminates the marriage and continues up to age 21 if the child does not remarry before that time. If the marriage terminates after the child's 21st birthday, there is no reinstatement of eligibility.

(E) *Disabling illness or injury of child age 21 or 22 who has eligibility based on his or her student status.* A child 21 or 22 years old who is pursuing a full-time course of higher education and who, either during the school year or between semesters, suffers a disabling illness or injury with resultant inability to resume attendance at the institution remains eligible for dental benefits for 6 months after the disability is removed or until the student passes his or her 23rd birthday, whichever occurs first. However, if recovery occurs before the 23rd birthday and there is resumption of a full-time course of higher education, dental benefits can be continued until the 23rd birthday. The normal vacation periods during an established school year do not change the eligibility status of a dependent child 21 or 22 years old in full-time student status. Unless an incapacitating condition existed before, and at the time of, a dependent child's 21st birthday, a dependent child 21 or 22 years old in student status does not have eligibility related to mental or physical incapacity as described in § 199.3(b)(2)(iv)(C)(*2*) of this section.

(iv) *Disenrollment because of no eligible dependents.* When an active duty member ceases to have any eligible dependents, the member must disenroll.

(v) *Option to disenroll as a result of a change in active duty station.* When an active duty member transfers with enrolled family members to a duty station where space-available dental care is readily available at the local military clinic, the member may elect within 90 days of the transfer to disenroll from the plan. If the member is later transferred to a duty station where dental care is not available in the local military clinic, the member may re-enroll his or her dependents in the plan.

(vi) *Option to disenroll after an initial two-year enrollment.* When an active duty member's enrollment of his or her dependents has been in effect for a continuous period of two years, the member may disenroll his or her dependents at any time. Subsequently, the member may enroll his or her dependents for another minimum period of two years.

(6) *Eligibility determination and enrollment*—(i) *Eligibility determination and enrollment responsibility of Uniformed Services.* Determination of a person's eligibility and processing of enrollment in the Active Duty Dependents Dental Benefit Plan is the responsibility of the active duty member's Uniformed Service. For the purpose of program integrity, the appropriate Uniformed Service shall, upon request of the Director, OCHAMPUS, review the eligibility of a specific person when there is reason to question the eligibility status. In such cases, a report on the result of the review and any action taken will be submitted to the Director, OCHAMPUS, or a designee.

(ii) *Procedures for determination of eligibility.* Uniformed Services identification cards do not distinguish eligibility for the Active Duty Dependents Dental Plan. Procedures for the determination of eligibility are identified in § 199.3(f)(2) of this part, except that Uniformed Services identification cards do not provide evidence of eligibility for the dental plan.

(7) *Evidence of eligibility required.* Eligibility and enrollment in the Active Duty Dependents Dental Plan will be verified through the DEERS (DoD 1341.1–M, ''Defense Enrollment Eligibility Reporting System (DEERS) Program Manual,'' May 1982).

(i) *Acceptable evidence of eligibility and enrollment.* Eligibility information established and maintained in the

DEERS files is the only acceptable evidence of eligibility.

(ii) *Responsibility for obtaining evidence of eligibility*. It is the responsibility of the active duty member, or Active Duty Dependent Dental Plan beneficiary, parent, or legal representative, when appropriate, to enroll with a Uniformed Service authorized representative and provide adequate evidence for entry into the DEERS file to establish eligibility for the Active Duty Dependents Dental Plan, and to ensure that all changes in status that may affect enrollment and eligibility are reported immediately to the appropriate Uniformed Service for action. Ineligibility for benefits is presumed in the absence of prescribed enrollment and eligibility evidence in the DEERS file.

(8) *Continuation of eligibility for dependents of service members who die on active duty*. Eligible dependents of service members who die on or after October 1, 1993, while on active duty for a period of more than 30 days and who are enrolled in the dental benefits plan on the date of the death of the member shall be eligible for continued enrollment in the dental benefits plan for up to one year from the date of the service member's death.

(d) *Premium sharing*—(1) *General.* Active duty members enrolling their dependents in the Active Duty Dependents Dental Plan shall be required to pay a share of the premium cost for their dependents.

(2) *Premium classifications.* Premium classifications are established by the Secretary of Defense, or designee, and provide for a minimum of two classifications, single and family.

(3) *Premium amounts.* The premium amounts to be paid for the Active Duty Dependents Dental plan are established by the Secretary of Defense or designee.

(4) *Proportion of member's premium share.* The proportion of premium share to be paid by the member is established by the Secretary of Defense or designee, at not more than 40 percent of the total premium.

(5) *Pay deduction.* The member's premium share shall be deducted from the basic pay of the member.

(e) *Plan benefits*—(1) *General*—(i) *Scope of benefits.* The Active Duty Dependents Dental Benefit Plan provides coverage for diagnostic and preventive services, sealants, restorative services, endodontics, periodontics, prosthodontics, orthodontics and oral surgery to eligible, enrolled dependents of active duty members as set forth in paragraph (c) of this section.

(ii) *Authority to act for the plan.* The authority to make benefit determinations and authorize plan payments under the Active Duty Dependents Dental Plan rests primarily with the insurance, service plan, or prepayment dental plan contractor, subject to compliance with federal law and regulation and government contract provisions. The Director, OCHAMPUS, or designee, provides required benefit policy decisions resulting from changes in federal law and regulation and appeal decisions. No other persons or agents (such as dentists or Uniformed Services health benefits advisors) have such authority.

(iii) *Right to information.* As a condition precedent to the provision of benefits hereunder, the Director, OCHAMPUS, or designee, shall be entitled to receive information from an authorized provider or other person, institution, or organization (including a local, state, or U.S. Government agency) providing services or supplies to the beneficiary for which claims for benefits are submitted. While establishing enrollment and eligibility, benefits, and benefit utilization and performance reporting information standards; the government has not established and does not maintain a system of records and information for the Dependents Dental Plan. By contract, the government audits the adequacy and accuracy of the dental contractor's system of records and requires access to information and records to meet program accountabilities. Such information and records may relate to attendance, testing, monitoring, examination, or diagnosis of dental disease or conditions; or treatment rendered; or services and supplies furnished to a beneficiary; and shall be necessary for the accurate and efficient administration and payment of benefits under this plan. Before a determination will be made on a claim of benefits, a beneficiary or active duty member must

provide particular additional information relevant to the requested determination, when necessary. Failure to provide the requested information may result in denial of the claim. The recipient of such information shall in every case hold such records confidential except when:

(A) Disclosure of such information is necessary to the determination by a provider or the Plan contractor of beneficiary enrollment or eligibility for coverage of specific services;

(B) Disclosure of such information is authorized specifically by the beneficiary;

(C) Disclosure is necessary to permit authorized governmental officials to investigate and prosecute criminal actions; or

(D) Disclosure constitutes a standard and acceptable business practice commonly used among dental insurers which is consistent with the principle of preserving confidentiality of personal information and detailed clinical data. For example, the release of utilization information for the purpose of determining eligibility for certain services, such as the number of dental prophylaxis procedures performed for a beneficiary, is authorized.

(E) Disclosure by the Director, OCHAMPUS, or designee, is for the purpose of determining the applicability of, and implementing the provisions of, other dental benefits coverage or entitlement.

(iv) *Dental insurance policy, prepayment, or dental service plan contract.* The Director, OCHAMPUS, or designee, shall develop a standard insurance policy, prepayment agreement, or dental service plan contract designating OCHAMPUS as the policyholder or purchaser. The policy shall be in the form customarily employed by the dental plan insurer, subject to its compliance with federal law and the provisions of this Regulation.

(v) *Dental benefits brochure*—(A) *Content.* The Director, OCHAMPUS, or designee, shall establish a dental benefits brochure explaining the benefits of the plan in common lay terminology. The brochure shall include the limitations and exclusions and other benefit determination rules for administering the benefits in accordance with the law and this part. The brochure shall include the rules for adjudication and payment of claims, appealable issues, and appeal procedures in sufficient detail to serve as a common basis for interpretation and understanding of the rules by providers, beneficiaries, claims examiners, correspondence specialists, employees and representatives of other government bodies, health benefits advisors, and other interested parties. Any conflict which may occur between the dental benefits brochure and law or regulation shall be resolved in favor of law and regulation.

(B) *Distribution.* The dental benefits brochure shall be printed and distributed with the assistance of the Uniformed Services health benefits advisors, major personnel centers at Uniformed Services installations, and authorized providers of care to all active duty members enrolling their dependents.

(vi) *Utilization review and quality assurance.* Claims submitted for benefits under the Active Duty Dependents Dental Plan are subject to review by the Director, OCHAMPUS or designee for quality of care and appropriate utilization. The Director, OCHAMPUS or designee is responsible for appropriate utilization review and quality assurance standards, norms, and criteria consistent with the level of benefits.

(vii) *Alternative course of treatment policy.* The Director, OCHAMPUS or designee may establish, in accordance with generally accepted dental benefit practices, an alternative course of treatment policy which provides reimbursement in instances where the dentist and beneficiary select a more expensive service, procedure, or course of treatment than is customarily provided. The benefit policy must meet the following conditions:

(A) The service, procedure, or course of treatment must be consistent with sound professional standards of dental practice for the dental condition concerned.

(B) The service, procedure, or course of treatment must be a generally accepted alternative for a service or procedure covered by this plan for the dental condition.

(C) Payment for the alternative service or procedure may not exceed the

lower of the prevailing limits for the alternative procedure, the prevailing limits or scheduled allowance for the otherwise authorized benefit procedure for which the alternative is substituted, or the actual charge for the alternative procedure.

(2) *Benefits*—(i) *Diagnostic and preventive services.* Benefits may be extended for those dental services described as oral examination, diagnostic, and preventive services defined as traditional prophylaxis (i.e., scaling deposits from teeth, polishing teeth, and topical application of fluoride to teeth) when performed directly by dentists or dental hygienists as authorized under paragraph (f) of this section. These services are defined (subject to the dental plan's exclusions, limitations, and benefit determination rules approved by OCHAMPUS) using the American Dental Association's Code on Dental Procedures and Nomenclature as listed in the Current Dental Terminology manual to include the following categories of services:

(A) *Diagnostic services.* (*1*) Clinical oral examinations.

(*2*) Radiographs.

(*3*) Tests and laboratory examinations.

(B) *Preventive services.* (*1*) Dental prophylaxis.

(*2*) Topical fluoride treatment (office procedure).

(*3*) Sealants.

(*4*) Space maintenance (passive appliances).

(ii) *Adjunctive general services (services ''by report'').* The following categories of services are authorized when performed directly by dentists or dental hygienists only in unusual circumstances requiring justification of exceptional conditions directly related to otherwise authorized procedures. Use of the procedures may not result in the fragmentation of services normally included in a single procedure. These services are defined (subject to the dental plan's exclusions, limitations, and benefit determination rules as adopted by OCHAMPUS) using the American Dental Association's Code on Dental Procedures and Nomenclature as listed in the Current Dental Terminology manual to include the following categories of service:

(A) Emergency oral examinations.

(B) Palliative emergency treatment of dental pain.

(C) Professional consultation.

(D) Professional visits.

(E) Drugs.

(F) Post-surgical complications.

(iii) *Restorative.* Benefits may be extended for basic restorative services when performed directly by dentists or dental hygienists, or under orders and supervision by dentists, as authorized under paragraph (f) of this section. These services are defined (subject to the dental plan's exclusions, limitations, and benefit determination rules as adopted by OCHAMPUS) using the American Dental Association's Code on Dental Procedures and Nomenclature as listed in the Current Dental Terminology manual to include the following categories of services:

(A) *Restorative services.* (*1*) Amalgam restorations.

(*2*) Silicate restorations.

(*3*) Resin restorations.

(*4*) Prefabricated crowns.

(*5*) Pin retention.

(B) *Other restorative services.* (*1*) Diagnostic casts.

(*2*) Onlay restoration—metallic.

(*3*) Crowns.

(iv) *Endodontic services.* Benefits may be extended for those dental services involved in treatment of diseases and injuries affecting the dental pulp, tooth root, and periapical tissue when performed directly by dentists as authorized under paragraph (f) of this section. These services are defined (subject to the dental plan's exclusions, limitations, and benefit determination rules as adopted by OCHAMPUS) using the American Dental Association's Code on Dental Procedures and Nomenclature as listed in the Current Dental Terminology manual to include the following categories of services:

(A) Pulp capping—indirect.

(B) Pulpotomy.

(C) Root canal therapy.

(D) Periapical services.

(E) Hemisection.

(v) *Periodontic services.* Benefits may be extended for those dental services involved in prevention and treatment of diseases affecting the supporting structures of the teeth to include periodontal prophylaxis, gingivectomy or

gingivoplasty, gingival curettage, etc., when performed directly by dentists as authorized under paragraph (f) of this section. These services are defined (subject to the dental plan's exclusions, limitations, and benefit determination rules as adopted by OCHAMPUS) using the American Dental Association's Code on Dental Procedures and Nomenclature as listed in the Current Dental Terminology manual to include the following categories of services:

(A) Surgical services.

(B) Periodontal scaling and root planing.

(C) Unscheduled dressing change.

(vi) *Prosthodontic services.* Benefits may be extended for those dental services involved in fabrication, insertion, adjustment, relinement, and repair of artificial teeth and associated tissues to include removable complete and partial dentures, fixed crowns and bridges when performed directly by dentists as authorized under paragraph (f) of this section. These services are defined (subject to the dental plan's exclusions, limitations, and benefit determination rules as adopted by OCHAMPUS) using the American Dental Association's Code on Dental Procedures and Nomenclature as listed in the Current Dental Terminology manual to include the following categories of services:

(A) *Prosthodontics (removable).* (*1*) Complete/partial dentures.

(*2*) Adjustments to removable prosthesis.

(*3*) Repairs to complete/partial dentures.

(*4*) Denture rebase procedures.

(*5*) Denture reline procedures.

(*6*) Interim complete/partial dentures.

(*7*) Tissue conditioning.

(B) *Prosthodontics (fixed).* (*1*) Bridge pontics.

(*2*) Retainers (by report).

(*3*) Bridge retainers-crowns.

(*4*) Other fixed prosthetic services.

(vii) Orthodontic services. Benefits may be extended for the supervision, guidance, and correction of growing or mature dentofacial structures, including those conditions that require movement of teeth or correction of malrelationships and malformations through the use of orthodontic procedures and devices when performed directly by dentists as authorized under paragraph (f) of this section to include in-process orthodontics. Coverage of in-process orthodontics is limited to services rendered on or after the date of enrollment in the expanded dependents dental play. These services are defined (subject to the dental plan's exclusions, limitations, and benefit determination rules as adopted by OCHAMPUS) using the American Dental Association's Code on Dental Procedures and Nomenclature as listed in the Current Dental Terminology manual to include the following categories of services:

(A) Minor treatment for tooth guidance.

(B) Minor treatment to control harmful habits.

(C) Interceptive orthodontic treatment.

(D) Comprehensive orthodontic treatment—transitional dentition.

(E) Comprehensive orthodontic treatment—permanent dentition.

(F) Treatment of the atypical or extended skeletal case.

(G) Post-treatment stabilization.

(viii) *Oral surgery services.* Benefits may be extended for basic surgical procedure of the extraction, reimplantation, stabilization and repositioning of teeth, alveoloplasties, incision and drainage of abscesses, suturing of wounds, biopsies, etc., when performed directly by dentists as authorized under paragraph (f) of this section. These services are defined (subject to the dental plan's exclusions, limitations, and benefit determination rules as adopted by OCHAMPUS) using the American Dental Association's Code on Dental Procedures and Nomenclature as listed in the Current Dental Terminology manual to include the following categories of services:

(A) Extractions.

(B) Surgical extractions.

(C) Other surgical procedures.

(D) Alveoloplasty—surgical preparation of ridge for denture.

(E) Surgical incision and drainage of abscess—intraoral soft tissue.

(F) Repair of traumatic wounds.

(G) Complicated suturing.

(H) Excision of pericoronal gingiva.

(ix) *Exclusion of adjunctive dental care.* Under limited circumstances, benefits are available for dental services and

supplies under CHAMPUS when the dental care is medically necessary in the treatment of an otherwise covered medical (not dental) condition, is an integral part of the treatment of such medical condition, and is essential to the control of the primary medical condition; or is required in preparation for, or as the result of, dental trauma which may be or is caused by medically necessary treatment of an injury or disease (iatrogenic). These benefits are excluded under the Active Duty Dependents Dental Plan. For further information on adjunctive dental care benefits under CHAMPUS, see § 199.4(e)(10).

(x) *Exclusion of benefit services performed in military dental care facilities.* Except for emergency treatment, dental care provided outside the United States, and services incidental to noncovered services, dependents enrolled in the Active Duty Dependents Dental Plan may not obtain those services which are benefits of the Plan in military dental care facilities. Enrolled dependents may continue to obtain noncovered services from military dental care facilities subject to the provisions for space available care.

(xi) *Benefit limitations and exclusions.* The Director, OCHAMPUS or designee may establish such exclusions and limitations as are consistent with those established by dental insurance and prepayment plans to control utilization and quality of care for the services and items covered by this dental plan.

(3) *Beneficiary and sponsor liability*—(i) *Diagnostic and preventive services.* Enrolled dependents of active duty members or their sponsors are responsible for the payment of only those amounts which are for services rendered by nonparticipating providers of care which exceed the equivalent of the statewide or regional prevailing fee levels as established by the insurer, except in the case of sealants where the dependents or their sponsors will also be responsible for payment of 20 percent of the insurer's determined allowable amount. Where the dental plan is unable to identify a participating provider of care within 35 miles of the dependent's place of residence with appointment availability within 21 calendar days, the dental plan will reimburse the dependent, or sponsor, or the nonparticipating provider selected by the dependent within 35 miles of the dependent's place of residence at the level of the provider's usual fees less 20 percent of the insurer's allowable amount for sealants.

(ii) *Restorative services.* Enrolled dependents of active duty members or their sponsors are responsible for payment of 20 percent of the amounts determined by the insurer for services rendered by participating providers of care, or 20 percent of these amounts plus any remainder of the charges made by nonparticipating providers of care, except in the case of crowns and casts where the dependents or their sponsors will be responsible for payment of 50 percent of the insurer's determined allowable amount. Where the dental plan is unable to identify a participating provider of care within 35 miles of the dependent's place of residence with appointment availability within 21 calendar days, dependents or their sponsors are responsible for payment of 20 percent (50 percent in the case of crowns and casts) of the charges made by nonparticipating providers located within 35 miles of the dependent's place of residence.

(iii) *Endodontic, periodontic, and oral surgery services.* Enrolled dependents of active duty members or their sponsors are responsible for payment of 40 percent of the amounts determined by the insurer for services rendered by participating providers of care, or 40 percent of these amounts plus any remainder of the charges made by nonparticipating providers of care. Where the dental plan is unable to identify a participating provider of care within 35 miles of the dependent's place of residence with appointment availability within 21 calendar days, dependents or their sponsors are responsible for payment of 40 percent of the charges made by nonparticipating providers located within 35 miles of the dependent's place of residence.

(iv) *Prosthodontic and orthodontic services.* Enrolled dependents of active duty members or their sponsors are responsible for payment of 50 percent of the amounts determined by the insurer for services rendered by participating providers of care, or 50 percent of these

amounts plus any remainder of the charges made by nonparticipating providers of care. Where the dental plan is unable to identify a participating provider of care within 35 miles of the dependent's place of residence with appointment availability within 21 calendar days, dependents or their sponsors are responsible for payment of 50 percent of the charges made by nonparticipating providers located within 35 miles of the dependent's place of residence.

(v) *Adjunctive general services (services ''by report'').* The beneficiary or sponsor liability is dependent on the particular service provided. Emergency oral examinations and palliative emergency treatment of dental pain are paid in full except for those amounts for services rendered by nonparticipating providers of care which exceed the equivalent of the statewide or regional prevailing fee levels as established by the insurer which are the responsibility of the enrolled dependents or their sponsors. Enrolled dependents or their sponsors are responsible for payment of 20 percent of the amounts determined by the insurer for professional consultations/visits and postsurgical services and 50 percent for covered medications when provided by participating providers of care, or these percentage payments plus any remaining amounts in excess of the prevailing charge limits established by the insurer for services rendered by nonparticipating providers, subject to the exceptions for dependent lack of access to participating providers as provided in paragraphs (e)(3)(i) through (e)(3)(iv) of this section. The contracting dental insurer may recognize a ''by report'' condition by providing additional allowance to the primary covered procedure instead of recognizing or permitting a distinct billing for the ''by report'' service.

(vi) *Amounts over the dental insurer's established allowance for charges.* It is the responsibility of the dental plan insurer to determine allowable charges for the procedures identified as benefits of this plan. All benefits of the plan are based on the insurer's determination of the allowable charges, subject to the exceptions for lack of access to participating providers as provided in paragraphs (e)(3)(i) through (e)(3)(iv) of this section.

(vii) *Maximum coverage amounts.* Enrolled dependents of active duty members are subject to an annual maximum coverage amount for non-orthodontic dental benefits and a lifetime maximum coverage amount for orthodontics as established by the Secretary of Defense or designee.

(f) *Authorized providers*—(1) *General.* This section sets forth general policies and procedures that are the basis for the Active Duty Dependents Dental Plan cost sharing of dental services and supplies provided by or under the direct supervision or prescription by dentists, and by dental hygienists, within the scope of their licensure.

(i) *Listing of provider does not guarantee payment of benefits.* The fact that a type of provider is listed in this section is not to be construed to mean that the Active Duty Dependents Dental Plan will pay automatically a claim for services or supplies provided by such a provider. The Director, OCHAMPUS or designee also must determine if the patient is an eligible beneficiary, whether the services or supplies billed are authorized and medically necessary, and whether any of the authorized exclusions of otherwise qualified providers presented in this section apply.

(ii) *Conflict of interest.* See § 199.9(d).

(iii) *Fraudulent practices or procedures.* See § 199.9(c) of this part.

(iv) *Utilization review and quality assurance.* Services and supplies furnished by providers of care shall be subject to utilization review and quality assurance standards, norms, and criteria established by the dental plan. Utilization review and quality assurance assessments shall be performed by the dental plan consistent with the nature and level of benefits of the plan, and shall include analysis of the data and findings by the dental plan insurer from other dental accounts.

(v) *Provider required.* In order to be considered benefits, all services and supplies shall be rendered by, prescribed by, or furnished at the direction of, or on the order of an Active Duty Dependents Dental Plan authorized provider practicing within the scope of his or her license.

(vi) *Participating provider.* An authorized provider may elect to participate and accept the fee or charge determinations as established and made known to the provider by the dental plan insurer. The fee or charge determinations are binding upon the provider in accordance with the dental plan insurer's procedures for participation. The authorized provider may not participate on a claim-by-claim basis. The participating provider must agree to accept, within one day of a request for appointment, beneficiaries in need of emergency palliative treatment. Payment to the participating provider is based on the lower of the actual charge or the insurer's determination of the allowable charge. Payment is made directly to the participating provider, and the participating provider may only charge the beneficiary the percent cost-share of the insurer's allowable charge for those benefit categories as specified in paragraphs (e)(3)(i) through (e)(3)(v) of this section, in addition to the charges for any services not authorized as benefits.

(vii) *Nonparticipating provider.* An authorized provider may elect for all beneficiaries not to participate and request the beneficiary or sponsor to pay any amount of the provider's billed charge in excess of the dental plan insurer's determination of allowable charges. Neither the government nor the dental plan insurer shall have any responsibility for any amounts over the allowable charges as determined by the dental plan insurer, except where the dental plan insurer is unable to identify a participating provider of care within 35 miles of the dependent's place of residence with appointment availability within 21 calendar days. In such instances of the nonavailability of a participating provider, the nonparticipating provider located within 35 miles of the dependent's place of residence shall be paid his or her usual fees, less the percent cost-share as specified in paragraphs (e)(3)(i) through (e)(3)(v) of this section.

(A) *Assignment.* A nonparticipating provider may accept assignment of claims for beneficiaries certifying their willingness to make such assignment by filing the claims completed with the assistance of the beneficiary or sponsor for direct payment by the dental plan insurer to the provider.

(B) *Nonassignment.* A nonparticipating provider for all beneficiaries may request the beneficiary or sponsor to file the claim directly with the dental plan insurer, making arrangements with the beneficiary or sponsor for direct payment by the beneficiary or sponsor.

(2) *Dentists.* Subject to standards of participation provisions of this part, the following are authorized providers of care:

(i) Doctors of Dental Surgery (D.D.S.) having a degree from an accredited school of dentistry, licensed to practice dentistry by a state board of dental examiners, and practicing within the scope of their licenses, whether in individual, group, or clinic practice settings.

(ii) Doctors of Dental Medicine (D.M.D.) having a degree from an accredited school of dentistry, licensed to practice dentistry by a state board of dental examiners, and practicing within the scope of their licenses, whether in individual, group, or clinic practice settings.

(3) *Dental hygienists.* Subject to state licensure laws and standards of participation provisions of this part, dental hygienists having an associate degree, certificate, or baccalaureate degree from an accredited school of dental hygiene, licensed to practice dental hygiene by a state board, and practicing within the scope of their licenses, whether in individual, group, or clinic practice settings.

NOTE: Dental hygienists may independently bill and receive payment only in the few states where the state licensure laws authorized them as independent providers of care. In nearly all states at the present time, the dental hygienist performs services under the supervision of a dentist and the Dependents Dental Plan will pay for such services in these states only when supervised and billed by a dentist.

(4) *Alternative delivery system*—(i) *General.* Alternative delivery systems may be established by the Director, OCHAMPUS or designee as authorized providers. Only dentists and dental hygienists shall be authorized to provide or direct the provision of authorized

services and supplies in an approved alternative delivery system.

(ii) *Defined.* An alternative delivery system may be any approved arrangement for a preferred provider organization, capitation plan, dental health maintenance or clinic organization, or other contracted arrangement which is approved by OCHAMPUS in accordance with requirements and guidelines.

(iii) *Elective or exclusive arrangement.* Alternative delivery systems may be established by contract or other arrangement on either an elective or exclusive basis for beneficiary selection of participating and authorized providers in accordance with contractual requirements and guidelines.

(iv) *Provider election of participation.* Otherwise authorized providers must be provided with the opportunity of applying for participation in an alternative delivery system and of achieving participation status based on reasonable criteria for timeliness of application, quality of care, cost containment, geographic location, patient availability, and acceptance of reimbursement allowance.

(v) *Limitation on authorized providers.* Where exclusive alternative delivery systems are established, only providers participating in the alternative delivery system are authorized providers of care. In such instances, the dental plan shall continue to pay beneficiary claims for services rendered by otherwise authorized providers in accordance with established rules for reimbursement of nonparticipating providers where the beneficiary has established a patient relationship with the nonparticipating provider prior to the dental plan's proposal to subcontract with the alternative delivery system.

(vi) *Charge agreements.* Where the alternative delivery system employs a discounted fee-for-service reimbursement methodology or schedule of charges or rates which includes all or most dental services and procedures recognized by the American Dental Association, Council on Dental Care Programs ''Code on Dental Procedures and Nomenclature (6th Revision),'' the discounts or schedule of charges or rates for all dental services and procedures shall be extended by its participating providers to beneficiaries of the Active Duty Dependents Dental Plan as an incentive for beneficiary participation in the alternative delivery system.

(5) *Billing practices.* The Director, OCHAMPUS, or designee, approves the dental plan's procedures governing the itemization and completion of claims for services rendered by authorized providers to enrolled beneficiaries of the Active Duty Dependents Dental Plan consistent with the insurer's existing procedures for completion and submittal of dental claims for its other dental plans and accounts.

(6) *Reimbursement of authorized providers.* The Director, OCHAMPUS or designee, approves the dental plan methodology for reimbursement of services rendered by authorized providers consistent with law, regulation, and contract provisions, and the benefits of the Active Duty Dependents Dental Plan. The following general requirements for methodology shall be met, subject to modifications and exceptions approved by the Director, OCHAMPUS or a designee.

(i) Nonparticipating providers (or the dependents or sponsors for unassigned claims) shall be reimbursed at the equivalent of not less than the 50th percentile of prevailing charges made for similar services in the same locality (region) or state, or the provider's actual charge, whichever is lower; less any cost-share amount due for authorized services, except where the dental plan insurer is unable to identify a participating provider of care within 35 miles of the dependent's place of residence with appointment availability within 21 calendar days. In such instances of the nonavailability of a participating provider, the nonparticipating provider located within 35 miles of the dependent's place of residence shall be paid his or her usual fees, less the cost-share for the authorized services.

(ii) Participating providers shall be reimbursed at the equivalent of a percentile of prevailing charges sufficiently above the 50th percentile of prevailing charges made for similar services in the same locality (region) or state as to constitute a significant financial incentive for participation, or the provider's actual charge, whichever is lower; less any cost-share amount due for authorized services.

(g) *Benefit payment*—(1) *General.* Active Duty Dependent Dental Plan benefit payments are made either directly to the provider or to the beneficiary or sponsor, depending on the manner in which the claim is submitted or the terms of the subcontract of an alternative delivery system with the dental plan insurer.

(2) *Benefit payments made to a participating provider.* When the authorized provider has elected to participate in accordance with the arrangement and procedures established by the dental plan insurer, payment is made based on the lower of the actual charge or the insurer's determination of the allowable charge. Payment is made directly to the participating provider as payment in full, less the percent cost-share of the insurer's allowable charge as specified in paragraphs (e)(3)(i) through (e)(3)(v) of this section.

(3) *Benefit payments made to a nonparticipating provider.* When the authorized provider has elected not to participate in accordance with the arrangement and procedures established by the dental plan, payment is made by the insurer based on the lower of the actual charge or the insurer's determination of the allowable charge. The beneficiary is responsible for payment of a percent cost-share of the insurer's allowable charge as specified in paragraphs (e)(3)(i) through (e)(3)(v) of this section. Where the dental plan is unable to identify a participating provider of care within 35 miles of the dependent's place of residence with appointment availability within 21 calendar days, dependents or their sponsors are responsible for payment of a percent cost-share of the charges made by nonparticipating providers located within 35 miles of the dependent's place of residence as specified in paragraphs (e)(3)(i) through (e)(3)(v) of this section.

(i) Assigned claims are claims submitted directly by the nonparticipating provider and are paid directly to the provider.

(ii) Nonassigned claims are claims submitted by the beneficiary, provider, or sponsor and are paid directly to the claimant.

(4) *Dental Explanation of Benefits (DEOB).* An explanation of benefits is sent to the beneficiary or sponsor and provides the following information:

(i) Name and address of the beneficiary.

(ii) Social Security Account Number (SSAN) of the sponsor.

(iii) Name and address of the provider.

(iv) Services or supplies covered by the claim for which the DEOB applies.

(v) Dates the services or supplies were provided.

(vi) Amount billed; allowable charge; and amount of payment.

(vii) To whom payment, if any, was made.

(viii) Reasons for any denial.

(ix) Recourse available to beneficiary for review of claim decision (refer to paragraph (h) of this section).

(5) *Fraud*—(i) *Federal laws.* 18 U.S.C. 287 and 1001 provide for criminal penalties for submitting knowingly or making any false, fictitious, or fraudulent statement or claim in any matter within the jurisdiction of any department or agency of the United States. Examples of fraud include situations in which ineligible persons not enrolled in the Active Duty Dependents Dental Plan obtain care and file claims for benefits under the name and identification of an enrolled beneficiary; or when providers submit claims for services and supplies not rendered to enrolled beneficiaries; or when a participating provider bills the beneficiary for amounts over the dental plan insurer's determination of allowable charges; or fails to collect the specified patient copayment amount.

(ii) *Suspected fraud.* Any person, including the dental plan insurer, who becomes aware of a suspected fraud shall report the circumstances in writing, together with copies of any available documents pertaining thereto, to the Director, OCHAMPUS, or a designee, who shall initiate an official investigation of the case.

(h) *Appeal and hearing procedures*—(1) *General.* This action sets forth the policies and procedures for appealing decisions made by the dental plan adversely affecting the rights and liabilities of beneficiaries, participating providers, and providers denied the status of authorized provider under the Active

Duty Dependents Dental Plan. An appeal under the Active Duty Dependents Dental Plan is an administrative review of program determinations made under the provisions of law and regulation. An appeal cannot challenge the propriety, equity, or legality of any provision of law and regulation.

(i) *Initial determination*—(A) *Notice of initial determination and right to appeal.* (*1*) The dental plan contractor shall mail notices of initial determinations to the Active Duty Dependents Dental Plan beneficiary at the last known address. For beneficiaries who are under 18 years of age or who are incompetent, a notice issued to the parent or guardian constitutes notice to the beneficiary.

(*2*) The dental plan contractor shall notify providers of an initial determination on a claim only if the providers participated in the claim or accepted assignment.

(*3*) Notice of an initial determination on a claim by the dental plan contractor shall be made in the contractor's explanation of benefits (beneficiary) or with the summary of payment (provider).

(*4*) Each notice of an initial determination on a request for benefit authorization, a request by a provider for approval as an authorized provider, or a decision to disqualify or exclude a provider, or a decision to disqualify or exclude a provider as an authorized provider under the Active Duty Dependents Dental Plan shall state the reason for the determination and the underlying facts supporting the determination.

(*5*) In any case when the initial determination is adverse to the beneficiary or participating provider or to the provider seeking approval as an authorized provider, the notice shall include a statement of the beneficiary's or provider's right to appeal the determination. The procedure for filing the appeal also shall be explained.

(B) *Effect of initial determination*. The initial determination is final, unless appealed in accordance with this section or unless the initial determination is reopened by OCHAMPUS or the dental plan contractor.

(ii) *Participation in an appeal.* Participation in an appeal is limited to any party to the initial determination, including OCHAMPUS, the dental plan contractor, and authorized representatives of the parties. Any party to the initial determination, except OCHAMPUS and the dental plan contractor, may appeal an adverse determination. The appealing party is the party who actually files the appeal.

(A) *Parties to the initial determination*. For purposes of these appeal and hearing procedures, the following are not parties to an initial determination and are not entitled to administrative review under this section.

(*1*) A provider disqualified or excluded as an authorized provider under the Active Duty Dependents Dental Plan based on a determination under another Federal or federally funded program is not a party to the OCHAMPUS action and may not appeal under this section

(*2*) A sponsor or parent of a beneficiary under 18 years of age or guardian of an incompetent beneficiary is not a party to the initial determination and may not serve as the appealing party, although such persons may represent the appealing party in an appeal.

(*3*) A third party other than the dental plan contractor, such as an insurance company, is not a party to the initial determination and is not entitled to appeal, even though it may have an indirect interest in the initial determination.

(*4*) A nonparticipating provider is not a party to the initial determination and may not appeal.

(B) *Representative.* Any party to the initial determination may appoint a representative to act on behalf of the party in connection with an appeal. Generally, the parent of a minor beneficiary and the legally appointed guardian of an incompetent beneficiary shall be presumed to have been appointed representative without specific designation by the beneficiary.

(*1*) The representative shall have the same authority as the party to the appeal, and notice given to the representative shall constitute notice required to be given to the party under this part.

(*2*) To avoid possible conflicts of interest, an officer or employee of the

United States, such as an employee or member of a Uniformed Service, including an employee or staff member of a Uniformed Service legal office, or a OCHAMPUS advisor, subject to the exceptions in 18 U.S.C. 205, is not eligible to serve as a representative. An exception usually is made for an employee or member of a Uniformed Service who represents an immediate family member. In addition, the Director, OCHAMPUS, or designee, may appoint an officer or employee of the United States as the OCHAMPUS representative at a hearing.

(iii) *Burden of proof.* The burden of proof is on the appealing party to establish affirmatively by substantial evidence the appealing party's entitlement under law and this part to the authorization of the Active Duty Dependents Dental Plan benefits or approval as an authorized provider. Any cost or fee associated with the production or submission of information in support of an appeal may not be paid by OCHAMPUS.

(iv) *Late filing.* If a request for reconsideration, formal review, or hearing is filed after the time permitted in this section, written notice shall be issued denying the request. Late filing may be permitted only if the appealing party reasonably can demonstrate to the satisfaction of the dental plan contractor, or the Director, OCHAMPUS, or designee, that timely filing of the request was not feasible due to extraordinary circumstances over which the appealing party had no practical control. Each request for an exception to the filing requirement will be considered on its own merits.

(v) *Appealable issue.* An appealable issue is required in order for an adverse determination to be appealed under the provisions of this section. Examples of issues that are not appealable under this chapter include:

(A) A dispute regarding a requirement of the law or regulation.

(B) The amount of the dental plan contractor-determined allowable charge since the methodology constitutes a limitation on benefits under the provisions of this part.

(C) Certain other issues on the basis that the authority for the initial determination is not vested in OCHAMPUS. Such issues include but are not limited to the following examples:

(*1*) Determination of a person's eligibility as an enrolled beneficiary in the Active Duty Dependents Dental Plan is the responsibility of the appropriate Uniformed Service. Although OCHAMPUS and the dental plan contractor must make determinations concerning a beneficiary's enrollment, ultimate responsibility for resolving a beneficiary's eligibility and enrollment rests with the Uniformed Services. Accordingly, a disputed question of fact concerning a beneficiary's enrollment or eligibility will not be considered an appealable issue under the provisions of this section, but shall be resolved in accordance with paragraph (c) of this section.

(*2*) The decision to disqualify or exclude a provider because of a determination against that provider under another Federal or federally funded program is not an initial determination that is appealable under this part. The provider is limited to exhausting administrative appeal rights offered under the Federal or federally funded program that made the initial determination. However, a determination to disqualify or exclude a provider because of abuse or fraudulent practices or procedures under the Active Duty Dependents Dental Plan is an initial determination that is appealable under this part.

(vi) *Amount in dispute.* An amount in dispute is required for an adverse determination to be appealed under the provisions of this section, except as set forth in the following:

(A) The amount in dispute is calculated as the amount of money the dental plan contractor would pay if the services and supplies involved in dispute were determined to be authorized benefits of the Active Duty Dependents Dental Plan. Examples of amounts of money that are excluded by this part from payments for authorized benefits include, but are not limited to:

(*1*) Amounts in excess of the dental plan contractor-determined allowable charge.

(*2*) The beneficiary's cost-share amounts for restorative services.

(*3*) Amounts that the beneficiary, or parent, guardian, or other responsible person has no legal obligation to pay.

(B) There is no requirement for an amount in dispute when the appealable issue involves a denial of a provider's request for approval as an authorized provider or the determination to disqualify or exclude a provider as an authorized provider.

(C) Individual claims may be combined to meet the required amount in dispute if all of the following exist:

(*1*) The claims involve the same beneficiary.

(*2*) The claims involve the same issue.

(*3*) At least one of the claims so combined has had a reconsideration decision issued by the dental plan contractor.

NOTE: A request for administrative review under this appeal process which involves a dispute regarding a requirement of law or regulation (paragraph (h)(1)(v)(A) of this section) or does not involve a sufficient amount in dispute (paragraph (h)(1)(vi) of this section) may not be rejected at the reconsideration level of appeal. However, an appeal shall involve an appealable issue and sufficient amount in dispute under these subsections to be granted a formal review or hearing.

(vii) *Levels of appeal.* The sequence and procedures of an Active Duty Dependents Dental Plan appeal are contained in the following:

(A) Reconsideration by the dental plan contractor.

(B) Formal review by OCHAMPUS.

(C) Hearing.

(2) *Reconsideration.* Any party to the initial determination made by the dental plan contractor may request a reconsideration.

(i) *Requesting a reconsideration*—(A) *Written request required.* The request must be in writing, shall state the specific matter in dispute, and shall include a copy of the notice of initial determination made by the dental plan contractor, such as the explanation of benefits.

(B) *Where to file.* The request shall be submitted to the dental plan contractor's office as designated in the notice of initial determination.

(C) *Allowed time to file.* The request must be mailed within 90 days after the date of the notice of initial determination.

(D) *Official filing date.* A request for a reconsideration shall be deemed filed on the date it is mailed and postmarked. If the request does not have a postmark, it shall be deemed filed on the date received by the dental plan contractor.

(ii) *The reconsideration process.* The purpose of the reconsideration is to determine whether the initial determination was made in accordance with law, regulation, policies, and guidelines in effect at the time the care was provided or requested or at the time the provider requested approval as an authorized provider. The reconsideration is performed by a member of the dental plan contractor's staff who was not involved in making the initial determination and is a thorough and independent review of the case. The reconsideration is based on the information submitted that led to the initial determination, plus any additional information that the appealing party may submit or the dental plan contractor may obtain.

(iii) *Timeliness of reconsideration determination.* The dental plan contractor normally shall issue its reconsideration determination no later than 60 days from the date of its receipt of the request for reconsideration.

(iv) *Notice of reconsideration determination.* The dental plan contractor shall issue a written notice of the reconsideration determination to the appealing party at his or her last known address. The notice of the reconsideration determination must contain the following elements:

(A) A statement of the issue or issues under appeal.

(B) The provisions of law, regulation, policies, and guidelines that apply to the issue or issues under appeal.

(C) A discussion of the original and additional information that is relevant to the issue or issues under appeal.

(D) Whether the reconsideration upholds the initial determination or reverses it, in whole or in part, and the rationale for the action.

(E) A statement of the right to appeal further in any case when the reconsideration determination is less than fully favorable to the appealing party and the amount in dispute is $50 or more.

(v) *Effect of reconsideration determination.* The reconsideration determination is final if either of the following exist:

(A) The amount in dispute is less than $50.

(B) Appeal rights have been offered, but a request for formal review is not received by OCHAMPUS within 60 days of the date of the notice of the reconsideration determination.

(3) *Formal review.* Any party to the initial determination may request a formal review by OCHAMPUS if the party is dissatisfied with the reconsideration determination and the reconsideration determination is not final under the provisions of paragraph (b)(5) of this section. Any party to the initial determination made by OCHAMPUS may request a formal review by OCHAMPUS if the party is dissatisfied with the initial determination.

(i) *Requesting a formal review*—(A) *Written request required.* The request must be in writing, shall state the specific matter in dispute, shall include copies of the written determination (notice of reconsideration determination) being appealed, and shall include any additional information or documents not submitted previously.

(B) *Where to file.* The request shall be submitted to the Chief, Appeals and Hearings, OCHAMPUS, Aurora, Colorado 80045–6900.

(C) *Allowed time to file.* The request shall be mailed within 60 days after the date of the notice of the reconsideration determination being appealed.

(D) *Official filing date.* A request for a formal review shall be deemed filed on the date it is mailed and postmarked. If the request does not have a postmark, it shall be deemed filed on the date received by OCHAMPUS.

(ii) *The formal review process.* The purpose of the formal review is to determine whether the initial determination or reconsideration determination was made in accordance with law, regulation, policies, and guidelines in effect at the time the care was provided or requested, at the time the provider requested approval as an authorized provider, or at the time of the action by OCHAMPUS to disqualify or exclude a provider. The formal review is performed by the Chief, Appeals and Hearings, OCHAMPUS, or a designee, and is a thorough review of the case. The formal review determination shall be based on the information upon which the initial determination or reconsideration determination was based and any additional information the appealing party or the dental plan contractor may submit or OCHAMPUS may obtain.

(iii) *Timeliness of formal review determination.* The Chief, Appeals and Hearings, OCHAMPUS, or a designee, normally shall issue the formal review determination no late than 90 days from the date of receipt of the request for formal review by the OCHAMPUS.

(iv) *Notice of formal review determination.* The Chief, Appeals and Hearings, OCHAMPUS, or a designee, shall issue a written notice of the formal review determination to the appealing party at his or her last known address. The notice of the formal review determination must contain the following elements:

(A) A statement of the issue or issues under appeal.

(B) The provisions of law, regulation, policies, and guidelines that apply to the issue or issues under appeal.

(C) A discussion of the original and additional information that is relevant to the issue or issues under appeal.

(D) Whether the formal review upholds the prior determination or determinations or reverses the prior determination or determinations in whole or in part and the rationale for the action.

(E) A statement of the right to request a hearing in any case when the formal review determination is less than fully favorable, the issue is appealable, and the amount in dispute is $300 or more.

(v) *Effect of formal review determination.* The formal review determination is final if one or more of the following exist:

(A) The issue is not appealable. (See paragraph (1)(v) of this section.)

(B) The amount in dispute is less than $300. (See paragraph (h)(1)(vi) of this section.)

(C) Appeal rights have been offered, but a request for hearing is not received by OCHAMPUS within 60 days of

the date of the notice of the formal review determination.

(4) *Hearing.* Any party to the initial determination may request a hearing if the party is dissatisfied with the formal review determination and the formal review determination is not final under the provisions of paragraph (c)(5) of this section.

(i) *Requesting a hearing*—(A) *Written request required.* The request shall be in writing, state the specific matter in dispute, include a copy of the formal review determination, and include any additional information or documents not submitted previously.

(B) *Where to file.* The request shall be submitted to the Chief, Appeals and Hearings, OCHAMPUS, Aurora, Colorado 80045–6900.

(C) *Allowed time to file.* The request shall be mailed within 60 days after the date of the notice of the formal review determination being appealed.

(D) *Official filing date.* A request for hearing shall be deemed filed on the date it is mailed and postmarked. If a request for hearing does not have a postmark, it shall be deemed filed on the date received by OCHAMPUS.

(ii) *The hearing process.* The hearing shall be conducted as a nonadversary, administrative proceeding to determine the facts of the case and to allow the appealing party the opportunity personally to present the case before an impartial hearing officer. The hearing is a forum in which facts relevant to the case are presented and evaluated in relation to applicable law, regulation, policies, and guidelines in effect at the time the care was provided or requested, or at the time the provider requested approval as an authorized provider.

(iii) *Timeliness of hearing.* (A) Except as otherwise provided in this section, within 60 days following receipt of a request for hearing, the Director, OCHAMPUS, or a designee, normally will appoint a hearing officer to hear the appeal. Copies of all records in the possession of OCHAMPUS that are pertinent to the matter to be heard or that formed the basis of the formal review determination shall be provided to the hearing officer and, upon request, to the appealing party.

(B) The hearing officer, except as otherwise provided in this section, normally shall have 60 days from the date of written notice of assignment to review the file, schedule and hold the hearing, and issue a recommended decision to the Director, OCHAMPUS, or designee.

(C) The Director, OCHAMPUS, or designee, may delay the case assignment to the hearing officer if additional information is needed that cannot be obtained and included in the record within the time period specified above. The appealing party will be notified in writing of the delay resulting from the request for additional information. The Director, OCHAMPUS, or a designee, in such circumstances, will assign the case to a hearing officer within 30 days of receipt of all such additional information or within 60 days of receipt of the request for hearing, whichever shall occur last.

(D) The hearing officer may delay submitting the recommended decision if, at the close of the hearing, any party to the hearing requests that the record remain open for submission of additional information. In such circumstances, the hearing officer will have 30 days following receipt of all such additional information including comments from the other parties to the hearing concerning the additional information to submit the recommended decision to the Director, OCHAMPUS, or a designee.

(iv) *Representation at a hearing.* Any party to the hearing may appoint a representative to act on behalf of the party at the hearing, unless such person currently is disqualified or suspended from acting in another Federal administrative proceeding, or unless otherwise prohibited by law, this part, or any other DoD regulation (see paragraph (a)(2)(ii) of this section). A hearing officer may refuse to allow any person to represent a party at the hearing when such person engages in unethical, disruptive, or contemptuous conduct, or intentionally fails to comply with proper instructions or requests of the hearing officer or the provisions of this part. The representative shall have the same authority as the appealing party, and notice given to the representative

shall constitute notice required to be given to the appealing party.

(v) *Consolidation of proceedings.* The Director, OCHAMPUS, or a designee, may consolidate any number of proceedings for hearing when the facts and circumstances are similar and no substantial right of an appealing party will be prejudiced.

(vi) *Authority of the hearing officer.* The hearing officer, in exercising the authority to conduct a hearing under this part, will be bound by 10 U.S.C., chapter 55 and this part. The hearing officer in addressing substantive, appealable issues shall be bound by the dental benefits brochure, policies, procedures, and other guidelines issued by the ASD(HA), or a designee, or by the Director, OCHAMPUS, or a designee, in effect for the period in which the matter in dispute arose. A hearing officer may not establish or amend the dental benefits brochure, policy, procedures, instructions, or guidelines. However, the hearing officer may recommend reconsideration of the policy, procedures, instructions or guidelines by the ASD(HA), or a designee, when the final decision is issued in the case.

(vii) *Disqualification of hearing officer.* A hearing officer voluntarily shall disqualify himself or herself and withdraw from any proceeding in which the hearing officer cannot give fair or impartial hearing, or in which there is a conflict of interest. A party to the hearing may request the disqualification of a hearing officer by filing a statement detailing the reasons the party believes that a fair and impartial hearing cannot be given or that a conflict of interest exists. Such request immediately shall be sent by the appealing party or the hearing officer to the Director, OCHAMPUS, or a designee, who shall investigate the allegations and advise the complaining party of the decision in writing. A copy of such decision also shall be mailed to all other parties to the hearing. If the Director, OCHAMPUS, or a designee, reassigns the case to another hearing officer, no investigation shall be required.

(viii) *Notice and scheduling of hearing.* The hearing officer shall issue by certified mail, when practicable, a written notice to the parties to the hearing of the time and place for the hearing. Such notice shall be mailed at least 15 days before the scheduled date of the hearing. The notice shall contain sufficient information about the hearing procedure, including the party's right to representation, to allow for effective preparation. The notice also shall advise the appealing party of the right to request a copy of the record before the hearing. Additionally, the notice shall advise the appealing party of his or her responsibility to furnish the hearing officer, no later than 7 days before the scheduled date of the hearing, a list of all witnesses who will testify and a copy of all additional information to be presented at the hearing. The time and place of the hearing shall be determined by the hearing officer, who shall select a reasonable time and location mutually convenient to the appealing party and OCHAMPUS.

(ix) *Dismissal of request for hearing*—(A) *By application of appealing party.* A request for hearing may be dismissed by the Director, OCHAMPUS, or a designee, at any time before the mailing of the final decision, upon the application of the appealing party. A request for dismissal must be in writing and filed with the Chief, Appeals and Hearings, OCHAMPUS, or the hearing officer. When dismissal is requested, the formal review determination in the case shall be deemed final, unless the dismissal is vacated in accordance with paragraph (h)(4)(ix)(E) of this section.

(B) *By stipulation of the parties to the hearing.* A request for a hearing may be dismissed by the Director, OCHAMPUS, or a designee, at any time before the mailing of notice of the final decision under a stipulation agreement between the appealing party and OCHAMPUS. When dismissal is entered under a stipulation, the formal review decision shall be deemed final, unless the dismissal is vacated in accordance with paragraph (h)(4)(ix)(E) of this section.

(C) *By abandonment.* The Director, OCHAMPUS, or a designee, may dismiss a request for hearing upon abandonment by the appealing party.

(*1*) An appealing party shall be deemed to have abandoned a request for hearing, other than when personal appearance is waived in accordance

with paragraph (h)(4)(xi)(m) of this section, if neither the appealing party nor an appointed representative appears at the time and place fixed for the hearing and if, within 10 days after the mailing of a notice by certified mail to the appealing party by the hearing officer to show cause, such party does not show good and sufficient cause for such failure to appear and failure to notify the hearing officer before the time fixed for hearing that an appearance could not be made.

(*2*) An appealing party shall be deemed to have abandoned a request for hearing if, before assignment of the case to the hearing officer, OCHAMPUS is unable to locate either the appealing party or an appointed representative.

(*3*) An appealing party shall be deemed to have abandoned a request for hearing if the appealing party fails to prosecute the appeal. Failure to prosecute the appeal includes, but is not limited to, an appealing party's failure to provide information reasonably requested by OCHAMPUS or the hearing officer for consideration in the appeal.

(*4*) If the Director, OCHAMPUS, or a designee, dismisses the request for hearing because of abandonment, the formal review determination in the case shall be deemed to be final, unless the dismissal is vacated in accordance with paragraph (h)(4)(ix)(E) of this section.

(D) *For cause.* The Director, OCHAMPUS, or a designee, may dismiss for cause a request for hearing either entirely or as to any stated issue. If the Director, OCHAMPUS, or a designee, dismisses a hearing request for cause, the formal review determination in the case shall be deemed to be final, unless the dismissal is vacated in accordance with paragraph (h)(4)(ix)(E) of this section. A dismissal for cause may be issued under any of the following circumstances:

(*1*) When the appealing party requesting the hearing is not a proper party under paragraph (1)(ii)(A) of this section or does not otherwise have a right to participate in a hearing.

(*2*) When the appealing party who filed the hearing request dies, and there is no information before the Director, OCHAMPUS, or a designee, showing that a party to the initial determination who is not an appealing party may be prejudiced by the formal review determination.

(*3*) When the issue is not appealable (See paragraph (h)(1)(v) of this section.)

(*4*) When the amount in dispute is less than $300 (See paragraph (h)(1)(vi) of this section.)

(*5*) When all appealable issues have been resolved in favor of the appealing party.

(E) *Vacation of dismissal.* Dismissal of a request for hearing may be vacated by the Director, OCHAMPUS, or a designee, upon written request of the appealing party, if the request is received within 6 months of the date of the notice of dismissal mailed to the last known address of the party requesting the hearing.

(x) *Preparation for hearing*—(A) *Prehearing statement of contentions.* The hearing officer may on reasonable notice, require a party to the hearing to submit a written statement of contentions and reasons. The written statement shall be provided to all parties to the hearing before the hearing takes place.

(B) *Agency records*—(*1*) *Hearing officer.* A hearing officer may ask OCHAMPUS to produce, for inspection, any records or relevant portions of records when they are needed to decide the issues in any proceeding before the hearing officer or to assist an appealing party in preparing for the proceeding.

(*2*) *Appealing party.* A request to a hearing officer by an appealing party for disclosure or inspection of OCHAMPUS or the dental plan contractor records shall be in writing and shall state clearly what information and records are required.

(C) *Witnesses and evidence.* All parties to a hearing are responsible for producing, at each party's expense, meaning without reimbursement of payment by OCHAMPUS, witnesses and other evidence in their own behalf, and for furnishing copies of any such documentary evidence to the hearing officer and other party or parties to the hearing. The Department of Defense is not authorized to subpoena witnesses or records. The hearing officer may issue

invitations and requests to individuals to appear and testify without cost to the Government, so that the full facts in the case may be presented.

(D) *Interrogatories and depositions.* A hearing officer may arrange to take interrogatories and depositions, recognizing that the Department of Defense does not have subpoena authority. The expense shall be assessed to the requesting party, with copies furnished to the hearing officer and other party or parties to the hearing.

(xi) *Conduct of hearing*—(A) *Right to open hearing.* Because of the personal nature of the matters to be considered, hearings normally shall be closed to the public. However, the appealing party may request an open hearing. If this occurs, the hearing shall be open, except when protection of other legitimate Government purposes dictates closing certain portions of the hearing.

(B) *Right to examine parties to the hearing and their witnesses.* Each party to the hearing shall have the right to produce and examine witnesses, to introduce exhibits, to question opposing witnesses on any matter relevant to the issue even though the matter was not covered in the direct examination, to impeach any witness regardless of which party to the hearing first called the witness to testify, and to rebut any evidence presented. Except for those witnesses employed by OCHAMPUS at the time of the hearing or records in the possession of OCHAMPUS, a party to a hearing shall be responsible, that is to say no payment or reimbursement shall be made by CHAMPUS for the cost or fee associated with producing witnesses or other evidence in the party's own behalf, or for furnishing copies of documentary evidence to the hearing officer and other party or parties to the hearing.

(C) *Burden of proof.* The burden of proof is on the appealing party affirmatively to establish by substantial evidence the appealing party's entitlement under law and this Regulation to the authorization of Active Duty Dependents Dental Plan benefits or approval as an authorized provider. Any part of the cost or fee associated with producing or submitting in support of an appeal may not be paid by OCHAMPUS.

(D) *Taking of evidence.* The hearing officer shall control the taking of evidence in a manner best suited to ascertain the facts and safeguard the rights of the parties to the hearing. Before taking evidence, the hearing officer shall identify and state the issues in dispute on the record and the order in which evidence will be received.

(E) *Questioning and admission of evidence.* A hearing officer may question any witness and shall admit any relevant evidence. Evidence that is irrelevant or unduly repetitious shall be excluded.

(F) *Relevant evidence.* Any relevant evidence shall be admitted, unless unduly repetitious, if it is the type of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule that might make improper the admission of such evidence over objection in civil or criminal actions.

(G) *Active Duty Dependents Dental Plan determination first.* The basis of the Active Duty Dependents Dental Plan determinations shall be presented to the hearing officer first. The appealing party shall then be given the opportunity to establish affirmatively why this determination is held to be in error.

(H) *Testimony.* Testimony shall be taken only on oath, affirmation, or penalty of perjury.

(I) *Oral argument and briefs.* At the request of any party to the hearing made before the close of the hearing, the hearing officer shall grant oral argument. If written argument is requested, it shall be granted, and the parties to the hearing shall be advised as to the time and manner within which such argument is to be filed. The hearing officer may require any party to the hearing to submit written memoranda pertaining to any or all issues raised in the hearing.

(J) *Continuance of hearing.* A hearing officer may continue a hearing to another time or place on his or her own motion or, upon showing of good cause, at the request of any party. Written notice of the time and place of the continued hearing, except as otherwise provided here, shall be in accordance with this part. When a continuance is

ordered during a hearing, oral notice of the time and place of the continued hearing may be given to each party to the hearing who is present at the hearing.

(K) *Continuance for additional evidence.* If the hearing officer determines, after a hearing has begun, that additional evidence is necessary for the proper determination of the case, the following procedures may be invoked:

(*1*) *Continue hearing.* The hearing may be continued to a later date in accordance with paragraph (d)(11)(x) of this section.

(*2*) *Closed hearing.* The hearing may be closed, but the record held open in order to permit the introduction of additional evidence. Any evidence submitted after the close of the hearing shall be made available to all parties to the hearing, and all parties to the hearing shall have the opportunity for comment. The hearing officer may reopen the hearing if any portion of the additional evidence makes further hearing desirable. Notice thereof shall be given in accordance with paragraph (d)(8) of this section.

(L) *Transcript of hearing.* A verbatim taped record of the hearing shall be made and shall become a permanent part of the record. Upon request, the appealing party shall be furnished a duplicate copy of the tape. A typed transcript of the testimony will be made only when determined to be necessary by OCHAMPUS. If a typed transcript is made, the appealing party shall be furnished a copy without charge. Corrections shall be allowed in the typed transcript by the hearing officer solely for the purpose of conforming the transcript to the actual testimony.

(M) *Waiver of right to appear and present evidence.* If all parties waive their right to appear before the hearing officer for presenting evidence and contentions personally or by representation, it will not be necessary for the hearing officer to give notice of, or to conduct a formal hearing. A waiver of the right to appear must be in writing and filed with the hearing officer or the Chief, Appeals and Hearings, OCHAMPUS. Such waiver may be withdrawn by the party by written notice received by the hearing officer or Chief, Appeals and Hearings, no later than 7 days before the scheduled hearing or the mailing of notice of the final decision, whichever occurs first. For purposes of this section, failure of a party to appear personally or by representation after filing written notice of waiver, will not be cause for finding of abandonment and the hearing officer shall make the recommended decision on the basis of all evidence of record.

(N) *Recommended decision.* At the conclusion of the hearing and after the record has been closed, the matter shall be taken under consideration by the hearing officer. Within the time frames previously set forth in this section, the hearing officer shall submit to the Director, OCHAMPUS, or a designee, a written recommended decision containing a statement of findings and a statement of reasons based on the evidence adduced at the hearing and otherwise included in the hearing record.

(*1*) *Statement of findings.* A statement of findings is a clear and concise statement of fact evidenced in the record or conclusions that readily can be deduced from the evidence of record. Each finding must be supported by substantial evidence that is defined as such evidence as a reasonable mind can accept as adequate to support a conclusion.

(*2*) *Statement of reasons.* A reason is a clear and concise statement of law, regulation, policies, or guidelines relating to the statement of findings that provides the basis for the recommended decision.

(5) *Final decision*—(i) *Director, OCHAMPUS.* The recommended decision shall be reviewed by the Director, OCHAMPUS, or a designee, who shall adopt or reject the recommended decision or refer the recommended decision for review by the Assistant Secretary of Defense (Health Affairs). The Director, OCHAMPUS, or designee, normally will take action with regard to the recommended decision within 90 days of receipt of the recommended decision or receipt of the revised recommended decision following a remand order to the Hearing Officer.

(A) *Final action.* If the Director, OCHAMPUS, or a designee, concurs in the recommended decision, no further

agency action is required and the recommended decision, as adopted by the Director, OCHAMPUS, is the final agency decision in the appeal. In the case of rejection, the Director, OCHAMPUS, or a designee, shall state the reason for disagreement with the recommended decision and the underlying facts supporting such disagreement. In these circumstances, the Director, OCHAMPUS, or a designee, may have a final decision prepared based on the record, or may remand the matter to the Hearing Officer for appropriate action. In the latter instance, the Hearing Officer shall take appropriate action and submit a new recommended decision within 60 days of receipt of the remand order. The decision by the Director, OCHAMPUS, or a designee, concerning a case arising under the procedures of this section, shall be the final agency decision and the final decision shall be sent by certified mail to the appealing party or parties. A final agency decision under this paragraph (h)(5)(i) will not be relied on, used, or cited as precedent by the Department of Defense or the dental plan contractor in the administration of the Active Duty Dependents Dental Plan.

(B) *Referral for review by ASD(HA).* The Director, OCHAMPUS, or a designee, may refer a hearing case to the Assistant Secretary of Defense (Health Affairs) when the hearing involves the resolution of policy and issuance of a final decision which may be relied on, used, or cited as precedent in the administration of the Active Duty Dependents Dental Plan. In such a circumstance, the Director, OCHAMPUS, or a designee, shall forward the recommended decision, together with the recommendation of the Director, OCHAMPUS, or a designee, regarding disposition of the hearing case.

(ii) *ASD(HA).* The ASD(HA), or a designee, after reviewing a case arising under the procedures of this section may issue a final decision based on the record in the hearing case or remand the case to the Director, OCHAMPUS, or a designee, for appropriate action. A decision issued by the ASD(HA), or a designee, shall be the final agency decision in the appeal and a copy of the final decision shall be sent by certified mail to the appealing party or parties. A final decision of the ASD(HA), or a designee, issued under this paragraph (h)(5)(ii) may be relied on, used, or cited as precedent in the administration of the Active Duty Dependents Dental Plan.

(i) *Extension of the Active Duty Dependents' Dental Plan to areas outside the United States.* The Assistant Secretary of Defense (Health Affairs) (ASD(HA)) may, under the authority of 10 U.S.C. 1076a(h), extend the Active Duty Dependents' Dental Plan to areas other than those areas specified in paragraph(a)(2)(i) of this section for the eligible dependents of members of the uniformed services accompanying the members on permanent assignment to duty in such areas. Action by the ASD(HA) to extend the program to any such area shall be announced through the publication of a notice in the FEDERAL REGISTER. In extending the program outside the United States, the ASD(HA) is authorized to establish program elements, methods of administration and payment rates to providers that are different from those in effect under this section in the United States to the extent the ASD(HA) determines necessary for the effective and efficient operation of the plan outside the United States. One such difference is that in areas other than those areas specified in paragraph (a)(2)(i) of this section, services under the active duty dependents' dental plan must be preauthorized by a designated DOD official, who may deny preauthorization if the needed services are available in a dental treatment facility of the Department of Defense. Other differences may occur based on limitations in the availability and capabilities of that nation's civilian sector providers in certain areas. Another difference is that a waiver of the annual maximum coverage amount for non-orthodontic dental benefits or the lifetime maximum coverage amount for orthodontics is authorized based on extraordinary circumstances governing the cost of dental services in a particular geographic area. Otherwise, rules pertaining to services covered under the plan, beneficiary cost sharing and quality of care standards for providers shall be comparable to those in effect under this

section in the United States. In addition, all provisions of 10 U.S.C. 1076a shall remain in effect.

[53 FR 2020, Jan. 26, 1988, as amended at 55 FR 43342, Nov. 16, 1990; 60 FR 55451, Nov. 1, 1995; 62 FR 39941, July 25, 1997]

§199.14 Provider reimbursement methods.

(a) *Hospitals.* The CHAMPUS-determined allowable cost for reimbursement of a hospital shall be determined on the basis of one of the following methodologies.

(1) *CHAMPUS Diagnosis Related Group (DRG)-based payment system.* Under the CHAMPUS DRG-based payment system, payment for the operating costs of inpatient hospital services furnished by hospitals subject to the system is made on the basis of prospectively-determined rates and applied on a per discharge basis using DRGs. Payments under this system will include a differentiation for urban (using large urban and other urban areas) and rural hospitals and an adjustment for area wage differences and indirect medical education costs. Additional payments will be made for capital costs, direct medical education costs, and outlier cases.

(i) *General.*—(A) *DRGs used.* The CHAMPUS DRG-based payment system will use the same DRGs used in the most recently available grouper for the Medicare Prospective Payment System, except as necessary to recognize distinct characteristics of CHAMPUS beneficiaries and as described in instructions issued by the Director, OCHAMPUS.

(B) *Assignment of discharges to DRGs.*

(*1*) The classification of a particular discharge shall be based on the patient's age, sex, principal diagnosis (that is, the diagnosis established, after study, to be chiefly responsible for causing the patient's admission to the hospital), secondary diagnoses, procedures performed and discharge status. In addition, for neonatal cases (other than normal newborns) the classification shall also account for birthweight, surgery and the presence of multiple, major and other neonatal problems, and shall incorporate annual updates to these classification features.

(*2*) Each discharge shall be assigned to only one DRG regardless of the number of conditions treated or services furnished during the patient's stay.

(C) *Basis of payment.*—(*1*) *Hospital billing.* Under the CHAMPUS DRG-based payment system, hospitals are required to submit claims (including itemized charges) in accordance with §199.7(b). The CHAMPUS fiscal intermediary will assign the appropriate DRG to the claim based on the information contained in the claim. Any request from a hospital for reclassification of a claim to a higher weighted DRG must be submitted, within 60 days from the date of the initial payment, in a manner prescribed by the Director, OCHAMPUS.

(*2*) *Payment on a per discharge basis.* Under the CHAMPUS DRG-based payment system, hospitals are paid a predetermined amount per discharge for inpatient hospital services furnished to CHAMPUS beneficiaries.

(*3*) *Claims priced as of date of admission.* Except for interim claims submitted for qualifying outlier cases, all claims reimbursed under the CHAMPUS DRG-based payment system are to be priced as of the date of admission, regardless of when the claim is submitted.

(*4*) *Payment in full.* The DRG-based amount paid for inpatient hospital services is the total CHAMPUS payment for the inpatient operating costs (as described in paragraph (a)(1)(i)(C)(*5*) of this section) incurred in furnishing services covered by the CHAMPUS. The full prospective payment amount is payable for each stay during which there is at least one covered day of care, except as provided in paragraph (a)(1)(iii)(E)(*1*)(*i*)(*A*) of this section.

(*5*) *Inpatient operating costs.* The CHAMPUS DRG-based payment system provides a payment amount for inpatient operating costs, including:

(*i*) Operating costs for routine services, such as the costs of room, board, and routine nursing services;

(*ii*) Operating costs for ancillary services, such as hospital radiology and laboratory services (other than physicians' services) furnished to hospital inpatients;

(*iii*) Special care unit operating costs; and

(*iv*) Malpractice insurance costs related to services furnished to inpatients.

(*6*) *Discharges and transfers.*

(*i*) *Discharges.* A hospital inpatient is discharged when:

(*A*) The patient is formally released from the hospital (release of the patient to another hospital as described in paragraph (a)(1)(i)(C)(*6*)(*ii*) of this section, or a leave of absence from the hospital, will not be recognized as a discharge for the purpose of determining payment under the CHAMPUS DRG-based payment system);

(*B*) The patient dies in the hospital; or

(*C*) The patient is transferred from the care of a hospital included under the CHAMPUS DRG-based payment system to a hospital or unit that is excluded from the prospective payment system.

(*ii*) *Transfers.* Except as provided under paragraph (a)(1)(i)(C)(*6*)(*i*) of this section, a discharge of a hospital inpatient is not counted for purposes of the CHAMPUS DRG-based payment system when the patient is transferred:

(*A*) From one inpatient area or unit of the hospital to another area or unit of the same hospital;

(*B*) From the care of a hospital included under the CHAMPUS DRG-based payment system to the care of another hospital paid under this system;

(*C*) From the care of a hospital included under the CHAMPUS DRG-based payment system to the care of another hospital that is excluded from the CHAMPUS DRG-based payment system because of participation in a statewide cost control program which is exempt from the CHAMPUS DRG-based payment system under paragraph (a)(1)(ii)(A) of this section; or

(*D*) From the care of a hospital included under the CHAMPUS DRG-based payment system to the care of a uniformed services treatment facility.

(*iii*) *Payment in full to the discharging hospital.* The hospital discharging an inpatient shall be paid in full under the CHAMPUS DRG-based payment system.

(*iv*) *Payment to a hospital transferring an inpatient to another hospital.* If a hospital subject to the CHAMPUS DRG-based payment system transfers an inpatient to another such hospital, the transferring hospital shall be paid a per diem rate (except that in neonatal cases, other than normal newborns, the hospital will be paid at 125 percent of that per diem rate), as determined under instructions issued by OCHAMPUS, for each day of the patient's stay in that hospital, not to exceed the DRG-based payment that would have been paid if the patient had been discharged to another setting. However, if a discharge is classified into DRG No. 456 (Burns, transferred to another acute care facility) or DRG 601 (neonate, transferred less than or equal to 4 days old), the transferring hospital shall be paid in full.

(*v*) *Additional payments to transferring hospitals.* A transferring hospital may qualify for an additional payment for extraordinary cases that meet the criteria for long-stay or cost outliers.

(D) *DRG system updates.* The CHAMPUS DRG-based payment system is modeled on the Medicare Prospective Payment System (PPS) and uses annually updated items and numbers from the Medicare PPS as provided for in this part and in instructions issued by the Director, OCHAMPUS. The effective date of these items and numbers shall correspond to that under the Medicare PPS except where distinctions are made in this part.

(ii) *Applicability of the DRG system.*

(A) *Areas affected.* The CHAMPUS DRG-based payment system shall apply to hospitals' services in the fifty states, the District of Columbia, and Puerto Rico, except that any state which has implemented a separate DRG-based payment system or similar payment system in order to control costs and is exempt from the Medicare Prospective Payment System may be exempt from the CHAMPUS DRG-based payment system if it requests exemption in writing, and provided payment under such system does not exceed payment which would otherwise be made under the CHAMPUS DRG-based payment system.

(B) *Services subject to the DRG-based payment system.* All normally covered inpatient hospital services furnished to CHAMPUS beneficiaries by hospitals

are subject to the CHAMPUS DRG-based payment system.

(C) *Services exempt from the DRG-based payment system.* The following hospital services, even when provided in a hospital subject to the CHAMPUS DRG-based payment system, are exempt from the CHAMPUS DRG-based payment system. The services in paragraphs (a)(1)(ii)(C)(*1*) through (a)(1)(ii)(C)(*4*) and (a)(1)(ii)(C)(*7*) through (a)(1)(ii)(C)(*9*) of this section shall be reimbursed under the procedures in paragraph (a)(3) of this section, and the services in paragraphs (a)(1)(ii)(C)(*5*) and (a)(1)(ii)(C)(*6*) of this section shall be reimbursed under the procedures in paragraph (g) of this section.

(*1*) Services provided by hospitals exempt from the DRG-based payment system.

(*2*) All services related to kidney acquisition by Rental Transplantation Centers.

(*3*) All services related to a heart transplantation which would otherwise be paid under DRG 103.

(*4*) All services related to liver transplantation when the transplant is performed in a CHAMPUS-authorized liver transplantation center.

(*5*) All professional services provided by hospital-based physicians.

(*6*) All services provided by nurse anesthetists.

(*7*) All services related to discharges involving pediatric bone marrow transplants (patient under 18 at admission).

(*8*) All services related to discharges involving children who have been determined to be HIV seropositive (patient under 18 at admission).

(*9*) All services related to discharges involving pediatric cystic fibrosis (patient under 18 at admission).

(*10*) For admissions occurring on or after October 1, 1990, the costs of blood clotting factor for hemophilia inpatients. An additional payment shall be made to a hospital for each unit of blood clotting factor furnished to a CHAMPUS inpatient who is hemophiliac in accordance with the amounts established under the Medicare Prospective Payment System (42 CFR 412.115).

(D) *Hospitals subject to the CHAMPUS DRG-based payment system.* All hospitals within the fifty states, the District of Columbia, and Puerto Rico which are certified to provide services to CHAMPUS beneficiaries are subject to the DRG-based payment system except for the following hospitals or hospital units which are exempt.

(*1*) *Psychiatric hospitals.* A psychiatric hospital which is exempt from the Medicare Prospective Payment System is also exempt from the CHAMPUS DRG-based payment system. In order for a psychiatric hospital which does not participate in Medicare to be exempt from the CHAMPUS DRG-based payment system, it must meet the same criteria (as determined by the Director, OCHAMPUS, or a designee) as required for exemption from the Medicare Prospective Payment System as contained in 42 CFR 412.23.

(*2*) *Rehabilitation hospitals.* A rehabilitation hospital which is exempt from the Medicare Prospective Payment System is also exempt from the CHAMPUS DRG-based payment system. In order for a rehabilitation hospital which does not participate in Medicare to be exempt from the CHAMPUS DRG-based payment system, it must meet the same criteria (as determined by the Director, OCHAMPUS, or a designee) as required for exemption from the Medicare Prospective Payment System as contained in 42 CFR 412.23.

(*3*) *Psychiatric and rehabilitation units (distinct parts).* A psychiatric or rehabilitation unit which is exempt from the Medicare prospective payment system is also exempt from the CHAMPUS DRG-based payment system. In order for a distinct unit which does not participate in Medicare to be exempt from the CHAMPUS DRG-based payment system, it must meet the same criteria (as determined by the Director, OCHAMPUS, or a designee) as required for exemption from the Medicare Prospective Payment System as contained in 42 CFR 412.23.

(*4*) *Long-term hospitals.* A long-term hospital which is exempt from the Medicare prospective payment system is also exempt from the CHAMPUS DRG-based payment system. In order for a long-term hospital which does not participate in Medicare to be exempt

from the CHAMPUS DRG-based payment system, it must have an average length of inpatient stay greater than 25 days:

(*i*) As computed by dividing the number of total inpatient days (less leave or pass days) by the total number of discharges for the hospital's most recent fiscal year; or

(*ii*) As computed by the same method for the immediately preceding six-month period, if a change in the hospital's average length of stay is indicated.

(*5*) *Sole community hospitals.* Any hospital which has qualified for special treatment under the Medicare prospective payment system as a sole community hospital and has not given up that classification is exempt from the CHAMPUS DRG-based payment system. (See subpart G of 42 CFR part 412.)

(*6*) *Christian Science sanitoriums.* All Christian Science sanitoriums (as defined in paragraph (b)(4)(viii) of § 199.6) are exempt from the CHAMPUS DRG-based payment system.

(*7*) *Cancer hospitals.* Any hospital which qualifies as a cancer hospital under the Medicare standards and has elected to be exempt from the Medicare prospective payment system is exempt from the CHAMPUS DRG-based payment system. (See 42 CFR 412.94.)

(*8*) *Hospitals outside the 50 states, the District of Columbia, and Puerto Rico.* A hospital is excluded from the CHAMPUS DRG-based payment system if it is not located in one of the fifty States, the District of Colubmia, or Puerto Rico.

(E) *Hospitals which do not participate in Medicare.* It is not required that a hospital be a Medicare-participating provider in order to be an authorized CHAMPUS provider. However, any hospital which is subject to the CHAMPUS DRG-based payment system and which otherwise meets CHAMPUS requirements but which is not a Medicare-participating provider (having completed a form HCFA–1514, Hospital Request for Certification in the Medicare/Medicaid Program and a form HCFA–1561, Health Insurance Benefit Agreement) must complete a participation agreement with OCHAMPUS. By completing the participation agreement, the hospital agrees to participate on all CHAMPUS inpatient claims and to accept the CHAMPUS-determined allowable amount as payment in full for these claims. Any hospital which does not participate in Medicare and does not complete a participation agreement with OCHAMPUS will not be authorized to provide services to CHAMPUS beneficiaries.

(F) *Substance Use Disorder Rehabilitation facilities.* With admissions on or after July 1, 1995, substance use disorder rehabilitation facilities, authorized under § 199.6(b)(4)(xiv), are subject to the DRG-based payment system.

(iii) *Determination of payment amounts.* The actual payment for an individual claim under the CHAMPUS DRG-based payment system is calculated by multiplying the appropriate adjusted standardized amount (adjusted to account for area wage differences using the wage indexes used in the Medicare program) by a weighting factor specific to each DRG.

(A) *Calculation of DRG weights.*

(*1*) *Grouping of charges.* All discharge records in the database shall be grouped by DRG.

(*2*) *Remove DRGs 469 and 470.* Records from DRGs 469 and 470 shall be removed from the database.

(*3*) *Indirect medical education standardization.* To standardize the charges for the cost effects of indirect medical education factors, each teaching hospital's charges will be divided by 1.0 plus the following ratio on a hospital-specific basis:

$$1.43 \times \left[\left(1.0 + \frac{\text{number of interns} + \text{residents}}{\text{number of beds}} \right) .5795 - 1.0 \right]$$

(*4*) *Wage level standardization.* To standardize the charge records for area wage differences, each charge record will be divided into labor-related and

nonlabor-related portions, and the labor-related portion shall be divided by the most recently available Medicare wage index for the area. The labor-related and nonlabor-related portions will then be added together.

(*5*) *Elimination of statistical outliers.* All unusually high or low charges shall be removed from the database.

(*6*) *Calculation of DRG average charge.* After the standardization for indirect medical education, and area wage differences, an average charge for each DRG shall be computed by summing charges in a DRG and dividing that sum by the number of records in the DRG.

(*7*) *Calculation of national average charge per discharge.* A national average charge per discharge shall be calculated by summing all charges and dividing that sum by the total number of records from all DRG categories.

(*8*) *DRG relative weights.* DRG relative weights shall be calculated for each DRG category by dividing each DRG average charge by the national average charge.

(B) *Empty and low-volume DRGs.* The Medicare weight shall be used for any DRG with less than ten (10) occurrences in the CHAMPUS database. The short-stay thresholds shall be set at one day for these DRGs and the long-stay thresholds shall be set at the FY 87 Medicare thresholds.

(C) *Updating DRG weights.* The CHAMPUS DRG weights shall be updated or adjusted as follows:

(*1*) DRG weights shall be recalculated annually using CHAMPUS charge data and the methodology described in paragraph (a)(1)(iii)(A) of this section.

(*2*) When a new DRG is created, CHAMPUS will, if practical, calculate a weight for it using an appropriate charge sample (if available) and the methodology described in paragraph (a)(1)(iii)(A) of this section.

(*3*) In the case of any other change under Medicare to an existing DRG weight (such as in connection with technology changes), CHAMPUS shall adjust its weight for that DRG in a manner comparable to the change made by Medicare.

(D) *Calculation of the adjusted standardized amounts.* The following procedures shall be followed in calculating the CHAMPUS adjusted standardized amounts.

(*1*) *Differentiate large urban, other urban, and rural charges.* All charges in the database shall be sorted into large urban, other urban, and rural groups (using the same definitions for these categories used in the Medicare program). The following procedures will be applied to each group.

(*2*) *Indirect medical education standardization.* To standardize the charges for the cost effects of indirect medical education factors, each teaching hospital's charges will be divided by 1.0 plus the following ratio on a hospital-specific basis:

$$1.43 \times \left[\left(1.0 + \frac{\text{number of interns} + \text{residents}}{\text{number of beds}} \right) .5795 - 1.0 \right]$$

(*3*) *Wage level standardization.* To standardize the charge records for area wage differnces, each charge record will be divided into labor-related and nonlabor-related portions, and the labor-related portion shall be divided by the most recently available Medicare wage index for the area. The labor-related and nonlabor-related portions will then be added together.

(*4*) *Apply the cost to charge ratio.* Each charge is to be reduced to a representative cost by using the Medicare cost to charge ratio. This amount shall be increased by 1 percentage point in order to reimburse hospitals for bad debt expenses attributable to CHAMPUS beneficiaries.

(*5*) *Preliminary base year standardized amount.* A preliminary base year standardized amount shall be calculated by summing all sts in the database applicable to the large urban, other urban, or rural group and dividing by the total

number of discharges in the respective group.

(*6*) *Update for inflation.* The preliminary base year standardized amounts shall be updated using an annual update factor equal to 1.07 to produce fiscal year 1988 preliminary standardized amounts. Therefore, any development of a new standardized amount will use an inflation factor equal to the hospital market basket index used by the Health Care Financing Administration in their Prospective Payment System.

(*7*) The preliminary standardized amounts, updated for inflation, shall be divided by a system standardization factor so that total DRG outlays, given the database distribution across hospitals and diagnosis, are equal to the total charges reduced to costs.

(*8*) *Labor and nonlabor portions of the adjusted standardized amounts.* The adjusted standardized amounts shall be divided into labor and nonlabor portions in accordance with the Medicare division of labor and nonlabor portions.

(E) *Adjustments to the DRG-based payments amounts.* The following adjustments to the DRG-based amounts (the weight multiplied by the adjusted standardized amount) will be made.

(*1*) *Outliers.* The DRG-based payment to a hospital shall be adjusted for atypical cases. These outliers are those cases that have either an unusually short length-of-stay or extremely long length-of-stay or that involve extraordinarily high costs when compared to most discharges classified in the same DRG. Cases which qualify as both a length-of-stay outlier and a cost outlier shall be paid at the rate which results in the greater payment.

(*i*) *Length-of-stay outliers.* Length-of-stay outliers shall be identified and paid by the fiscal intermediary when the claims are processed.

(*A*) *Short-stay outliers.* Any discharge with a length-of-stay (LOS) less than 1.94 standard deviations from the DRG's geometric LOS shall be classified as a short-stay outlier. Short-stay outliers shall be reimbursed at 200 percent of the per diem rate for the DRG for each covered day of the hospital stay, not to exceed the DRG amount. The per diem rate shall equal the DRG amount divided by the geometric mean length-of-stay for the DRG.

(*B*) *Long-stay outliers.* Any discharge (except for neonatal services and services in children's hospitals) which has a length-of-stay (LOS) exceeding a threshold established in accordance with the criteria used for the Medicare Prospective Payment System as contained in 42 CFR 412.82 shall be classified as a long-stay outlier. Any discharge for neonatal services or for services in a children's hospital which has a LOS exceeding the lesser of 1.94 standard deviations or 17 days from the DRG's geometric mean LOS also shall be classified as a long-stay outlier. Long-stay outliers shall be reimbursed the DRG-based amount plus a percentage (as established for the Medicare Prospective Payment System) of the per diem rate for the DRG for each covered day of care beyond the long-stay outlier cutoff. The per diem rate shall equal the DRG amount divided by the geometric mean LOS for the DRG.

(*ii*) *Cost outliers.* Additional payment for cost outliers shall be made only upon request by the hospital.

(*A*) *Cost outliers except those in children's hospitals or for neonatal services.* Any discharge which has standardized costs that exceed a threshold established in accordance with the criteria used for the Medicare Prospective Payment System as contained in 42 CFR 412.84 shall qualify as a cost outlier. The standardized costs shall be calculated by multiplying the total charges by the factor described in § 199.14(a)(1)(iii)(D)(*4*) and adjusting this amount for indirect medical education costs. Cost outliers shall be reimbursed the DRG-based amount plus a percentage (as established for the Medicare Prospective Payment System) of all costs exceeding the threshold.

(*B*) *Cost outliers in children's hospitals and for neonatal services.* Any discharge for services in a children's hospital or for neonatal services which has standardized costs that exceed a threshold of the greater of two times the DRG-based amount or $13,500 shall qualify as a cost outlier. The standardized costs shall be calculated by multiplying the total charges by the factor described in § 199.14(a)(1)(iii)(D)(*4*) (adjusted to include average capital and direct medical education costs) and adjusting this amount for indirect medical education

costs. Cost outliers for services in children's hospitals and for neonatal services shall be reimbursed the DRG-based amount plus a percentage (as established for the Medicare Prospective Payment System) of all costs exceeding the threshold.

(*C*) *Cost outliers for burn cases.* All cost outliers for DRGs related to burn cases shall be reimbursed the DRG-based amount plus a percentage (as established for the Medicare Prospective Payment System) of all costs exceeding the threshold. The standardized costs and thresholds for these cases shall be calculated in accordance with § 199.14(a)(1)(iii)(E)(*1*)(*ii*)(*A*) and § 199.14(a)(1)(iii)(E)(*1*)(*ii*)(*B*).

(*2*) *Wage adjustment.* CHAMPUS will adjust the labor portion of the standardized amounts according to the hospital's area wage index.

(*3*) *Indirect medical education adjustment.* The wage adjusted DRG payment will also be multiplied by 1.0 plus the hospital's indirect medical education ratio.

(*4*) *Children's hospital differential.* With respect to claims from children's hospitals, the appropriate adjusted standardized amount shall also be adjusted by a children's hospital differential.

(*i*) *Qualifying children's hospitals.* Hospitals qualifying for the children's hospital differential are hospitals that are exempt from the Medicare Prospective Payment System, or, in the case of hospitals that do not participate in Medicare, that meet the same criteria (as determined by the Director, OCHAMPUS, or a designee) as required for exemption from the Medicare Prospective Payment System as contained in 42 CFR 412.23.

(*ii*) *Calculation of differential.* The differential shall be equal to the difference between a specially calculated children's hospital adjusted standardized amount and the adjusted standardized amount for fiscal year 1988. The specially calculated children's hospital adjusted standardized amount shall be calculated in the same manner as set forth in § 199.14(a)(1)(iii)(D), except that:

(*A*) The base period shall be fiscal year 1988 and shall represent total estimated charges for discharges that occurred during fiscal year 1988.

(*B*) No cost to charge ratio shall be applied.

(*C*) Capital costs and direct medical education costs will be included in the calculation.

(*D*) The factor used to update the database for inflation to produce the fiscal year 1988 base period amount shall be the applicable Medicare inpatient hospital market basket rate.

(*iii*) *Transition rule.* Until March 1, 1992, separate differentials shall be used for each higher volume children's hospital (individually) and for all other children's hospitals (in the aggregate). For this purpose, a higher volume hospital is a hospital that had 50 or more CHAMPUS discharges in fiscal year 1988.

(*iv*) *Hold harmless provision.* At such time as the weights initially assigned to neonatal DRGs are recalibrated based on sufficient volume of CHAMPUS claims records, children's hospital differentials shall be recalculated and appropriate retrospective and prospective adjustments shall be made. To the extent practicable, the recalculation shall also include reestimated values of other factors (including but not limited to direct education and capital costs and indirect education factors) for which more accurate data became available.

(*v*) *No update for inflation.* The children's hospital differential, calculated (and later recalculated under the hold harmless provision) for the base period of fiscal year 1988, shall not be updated for subsequent fiscal years.

(*vi*) *Administrative corrections.* In connection with determinations pursuant to paragraph (a)(1)(iii) (E)(*4*)(*iii*) of this section, any children's hospital that believes OCHAMPUS erroneously failed to classify the hospital as a high volume hospital or incorrectly calculated (in the case of a high volume hospital) the hospital's differential may obtain administrative corrections by submitting appropriate documentation to the Director, OCHAMPUS (or a designee).

(F) *Updating the adjusted standardized amounts.* Beginning in FY 1989, the adjusted standardized amounts will be updated by the Medicare annual update

factor, unless the adjusted standardized amounts are recalculated.

(G) *Annual cost pass-throughs.*

(*1*) *Capital costs.* When requested in writing by a hospital, CHAMPUS shall reimburse the hospital its share of actual capital costs as reported annually to the CHAMPUS fiscal intermediary. Payment for capital costs shall be made annually based on the ratio of CHAMPUS inpatient days for those beneficiaries subject to the CHAMPUS DRG-based payment system to total inpatient days applied to the hospital's total allowable capital costs. Reductions in payments for capital costs which are required under Medicare shall also be applied to payments for capital costs under CHAMPUS.

(*i*) *Costs included as capital costs.* Allowable capital costs are those specified in Medicare Regulation § 413.130, as modified by § 412.72.

(*ii*) *Services, facilities, or supplies provided by supplying organizations.* If services, facilities, or supplies are provided to the hospital by a supplying organization related to the hospital within the meaning of Medicare Regulation §413.17, then the hospital must include in its capital-related costs, the capital-related costs of the supplying organization. However, if the supplying organization is not related to the provider within the meaning of § 413.17, no part of the change to the provider may be considered a capital-related cost unless the services, facilities, or supplies are capital-related in nature and:

(*A*) The capital-related equipment is leased or rented by the provider;

(*B*) The capital-related equipment is located on the provider's premises; and

(*C*) The capital-related portion of the charge is separately specified in the charge to the provider.

(*2*) *Direct medical education costs.* When requested in writing by a hospital, CHAMPUS shall reimburse the hospital its actual direct medical education costs as reported annually to the CHAMPUS fiscal intermediary. Such teaching costs must be for a teaching program approved under Medicare Regulation § 413.85. Payment for direct medical education costs shall be made annually based on the ratio of CHAMPUS inpatient days for those benficiaries subject to the CHAMPUS DRG-based payment system to total inpatient days applied to the hospital's total allowable direct medical education costs. Allowable direct medical education costs are those specified in Medicare Regulation § 413.85.

(*3*) *Information necessary for payment of capital and direct medical education costs.* All hospitals subject to the CHAMPUS DRG-based payment system, except for children's hospitals, may be reimbursed for allowed capital and direct medical education costs by submitting a request to the CHAMPUS contractor. Such request shall cover the one-year period corresponding to the hospital's Medicare cost-reporting period. The first such request may cover a period of less than a full year—from the effective date of the CHAMPUS DRG-based payment system to the end of the hospital's Medicare cost-reporting period. All costs reported to the CHAMPUS contractor must correspond to the costs reported on the hospital's Medicare cost report. In the case of children's hospitals that request reimbursement under this clause for capital and/or direct medical education costs, the hospital must submit appropriate base period cost information, as determined by the Director, OCHAMPUS (or designee). (If these costs change as a result of a subsequent audit by Medicare, the revised costs are to be reported to the hospital's CHAMPUS contractor within 30 days of the date the hospital is notified of the change.) The request must be signed by the hospital official responsible for verifying the amounts and shall contain the following information.

(*i*) The hospital's name.

(*ii*) The hospital's address.

(*iii*) The hospital's CHAMPUS provider number.

(*iv*) The hospital's Medicare provider number.

(*v*) The period covered—this must correspond to the hospital's Medicare cost-reporting period.

(*vi*) Total inpatient days provided to all patients in units subject to DRG-based payment.

(*vii*) Total allowed CHAMPUS inpatient days provided in units subject to DRG-based payment.

(*viii*) Total allowable capital costs.

(*ix*) Total allowable direct medical education costs.

(*x*) Total full-time equivalents for:

(*A*) Residents.

(*B*) Interns.

(*xi*) Total inpatient beds as of the end of the cost-reporting period. If this has changed during the reporting period, an explanation of the change must be provided.

(*xii*) Title of official signing the report.

(*xiii*) Reporting date.

(*xiv*) The report shall contain a certification statement that any changes to the items in paragraphs (a)(1)(iii)(G)(*3*)(*vi*), (*vii*), (*viii*), (*ix*), or (*x*), which are a result of an audit of the hospital's Medicare cost-report, shall be reported to CHAMPUS within thirty (30) days of the date the hospital is notified of the change.

(2) *CHAMPUS mental health per diem payment system.* The CHAMPUS mental health per diem payment system shall be used to reimburse for inpatient mental health hospital care in specialty psychiatric hospitals and units. Payment is made on the basis of prospectively determined rates and paid on a per diem basis. The system uses two sets of per diems. One set of per diems applies to hospitals and units that have a relatively higher number of CHAMPUS discharges. For these hospitals and units, the system uses hospital-specific per diem rates. The other set of per diems applies to hospitals and units with a relatively lower number of CHAMPUS discharges. For these hospitals and units, the system uses regional per diems, and further provides for adjustments for area wage differences and indirect medical education costs and additional pass-through payments for direct medical education costs.

(i) *Applicability of the mental health per diem payment system.*

(A) *Hospitals and units covered.* The CHAMPUS mental health per diem payment system applies to services covered (see paragraph (a)(2)(i)(B) of this section) that are provided in Medicare prospective payment system (PPS) exempt psychiatric specialty hospitals and all Medicare PPS exempt psychiatric specialty units of other hospitals. In addition, any psychiatric hospital that does not participate in Medicare, or any other hospital that has a psychiatric specialty unit that has not been so designated for exemption from the Medicare prospective payment system because the hospital does not participate in Medicare, may be designated as a psychiatric hospital or psychiatric specialty unit for purposes of the CHAMPUS mental health per diem payment system upon demonstrating that it meets the same criteria (as determined by the Director, OCHAMPUS) as required for the Medicare exemption. The CHAMPUS mental health per diem payment system does not apply to mental health services provided in other hospitals.

(B) *Services covered.* Unless specifically exempted, all covered hospitals' and units' inpatient claims which are classified into a mental health DRG (DRG categories 425–432, but not DRG 424) or an alcohol/drug abuse DRG (DRG categories 433–437) shall be subject to the mental health per diem payment system.

(ii) *Hospital-specific per diems for higher volume hospitals and units.* This paragraph describes the per diem payment amounts for hospitals and units with a higher volume of CHAMPUS discharges.

(A)(*1*) *Per diem amount.* A hospital-specific per diem amount shall be calculated for each hospital and unit with a higher volume of CHAMPUS discharges. The base period per diem amount shall be equal to the hospital's average daily charge in the base period. The base period amount, however, may not exceed the cap described in paragraph (a)(2)(ii)(B) of this section. The base period amount shall be updated in accordance with paragraph (a)(2)(iv) of this section.

(*2*) In states that have implemented a payment system in connection with which hospitals in that state have been exempted from the CHAMPUS DRG-based payment system pursuant to paragraph (a)(1)(ii)(A) of this section, psychiatric hospitals and units may have per diem amounts established based on the payment system applicable to such hospitals and units in the state. The per diem amount, however, may not exceed the cap amount applicable to other higher volume hospitals.

(B) *Cap*—(*1*) As it affects payment for care provided to patients prior to April 6, 1995, the base period per diem amount may not exceed the 80th percentile of the average daily charge weighted for all discharges throughout the United States from all higher volume hospitals.

(*2*) Applicable to payments for care provided to patients on or after April 6, 1996, the base period per diem amount may not exceed the 70th percentile of the average daily charge weighted for all discharges throughout the United States from all higher volume hospitals. For this purpose, base year charges shall be deemed to be charges during the period of July 1, 1991 to June 30, 1992, adjusted to correspond to base year (FY 1988) charges by the percentage change in average daily charges for all higher volume hospitals and units between the period of July 1, 1991 to June 30, 1992 and the base year.

(C) *Review of per diem*. Any hospital or unit which believes OCHAMPUS calculated a hospital-specific per diem which differs by more than $5.00 from that calculated by the hospital or unit may apply to the Director, OCHAMPUS, or a designee, for a recalculation. The burden of proof shall be on the hospital.

(iii) *Regional per diems for lower volume hospitals and units*. This paragraph describes the per diem amounts for hospitals and units with a lower volume of CHAMPUS discharges.

(A) *Per diem amounts*. Hospitals and units with a lower volume of CHAMPUS patients shall be paid on the basis of a regional per diem amount, adjusted for area wages and indirect medical education. Base period regional per diems shall be calculated based upon all CHAMPUS lower volume hospitals' claims paid during the base period. Each regional per diem amount shall be the quotient of all covered charges divided by all covered days of care, reported on all CHAMPUS claims from lower volume hospitals in the region paid during the base period, after having standardized for indirect medical education costs and area wage indexes and subtracted direct medical education costs. Regional per diem amounts are adjusted in accordance with paragraph (a)(2)(iii)(C) of this section. Additional pass-through payments to lower volume hospitals are made in accordance with paragraph (a)(2)(iii)(D) of this section. The regions shall be the same as the Federal census regions.

(B) *Review of per diem amount*. Any hospital that believes the regional per diem amount applicable to that hospital has been erroneously calculated by OCHAMPUS by more than $5.00 may submit to the Director, OCHAMPUS, or a designee, evidence supporting a different regional per diem. The burden of proof shall be on the hosptial.

(C) *Adjustments to regional per diems*. Two adjustments shall be made to the regional per diem rates.

(*1*) *Area wage index*. The same area wage indexes used for the CHAMPUS DRG-based payment system (see paragraph (a)(1)(iii)(E)(*2*) of this section) shall be applied to the wage portion of the applicable regional per diem rate for each day of the admission. The wage portion shall be the same as that used for the CHAMPUS DRG-based payment system.

(*2*) *Indirect medical education*. The indirect medical education adjustment factors shall be calculated for teaching hospitals in the same manner as is used in the CHAMPUS DRG-based payment system (see paragraph (a)(1)(iii)(E)(*3*) of this section) and applied to the applicable regional per diem rate for each day of the admission.

(D) *Annual cost pass-through for direct medical education*. In addition to payments made to lower volume hospitals under paragraph (a)(2)(iii) of this section, CHAMPUS shall annually reimburse hospitals for actual direct medical education costs associated with services to CHAMPUS beneficiaries. This reimbursement shall be done pursuant to the same procedures as are applicable to the CHAMPUS DRG-based payment system (see paragraph (a)(1)(iii)(G) of this section).

(iv) *Base period and update factors*.

(A) *Base period*. The base period for calculating the hospital-specific and regional per diems, as described in paragraphs (a)(2)(ii) and (a)(2)(iii) of this section, is Federal fiscal year 1988. Base period calculations shall be based on actual claims paid during the period July 1, 1987 through May 31, 1988,

trended forward to represent the 12-month period ending September 30, 1988 on the basis of the Medicare inpatient hospital market basket rate.

(B) *Alternative hospital-specific data base.* Upon application of a higher volume hospital or unit to the Director, OCHAMPUS, or a designee, the hospital or unit may have its hospital-specific base period calculations based on claims with a date of discharge (rather than date of payment) between July 1, 1987 through May 31, 1988 if it has generally experienced unusual delays in claims payments and if the use of such an alternative data base would result in a difference in the per diem amount of at least $5.00. For this purpose, the unusual delays means that the hospital's or unit's average time period between date of discharge and date of payment is more than two standard deviations longer than the national average.

(C) *Update factors*—(*1*) The hospital-specific per diems and the regional per diems calculated for the base period pursuant to paragraphs (a)(2)(ii) of this section shall remain in effect for federal fiscal year 1989; there will be no additional update for fiscal year 1989.

(*2*) Except as provided in paragraph (a)(2)(iv)(C)(*3*) of this section, for subsequent federal fiscal years, each per diem shall be updated by the Medicare update factor for hospitals and units exempt from the Medicare prospective payment system.

(*3*) As an exception to the update required by paragraph (a)(2)(iv)(C)(*2*) of this section, all per diems in effect at the end of fiscal year 1995 shall remain in effect, with no additional update, throughout fiscal years 1996 and 1997. For fiscal year 1998 and thereafter, the per diems in effect at the end of fiscal year 1997 will be updated in accordance with paragraph (a)(2)(iv)(C)(*2*).

(*4*) Hospitals and units with hospital-specific rates will be notified of their respective rates prior to the beginning of each Federal fiscal year. New hospitals shall be notified at such time as the hospital rate is determined. The actual amounts of each regional per diem that will apply in any Federal fiscal year shall be published in the FEDERAL REGISTER at approximately the start of that fiscal year.

(v) *Higher volume hospitals.* This paragraph describes the classification of and other provisions pertinent to hospitals with a higher volume of CHAMPUS patients.

(A) *In general.* Any hospital or unit that had an annual rate of 25 or more CHAMPUS discharges of CHAMPUS patients during the period July 1, 1987 through May 31, 1988 shall be considered a higher volume hospital has 25 or more CHAMPUS discharges, that hospital shall be considered to be a higher volume hospital during Federal fiscal year 1989 and all subsequent fiscal years. All other hospitals and units covered by the CHAMPUS mental health per diem payment system shall be considered lower volume hospitals.

(B) *Hospitals that subsequently become higher volume hospitals.* In any Federal fiscal year in which a hospital, including a new hospital (see paragraph (a)(2)(v)(C) of this section), not previously classified as a higher volume hospital has 25 or more CHAMPUS discharges, that hospital shall be considered to be a higher volume hospital during the next Federal fiscal year and all subsequent fiscal years. The hospital specific per diem amount shall be calculated in accordance with the provisions of paragraph (a)(2)(ii) of this section, except that the base period average daily charge shall be deemed to be the hospital's average daily charge in the year in which the hospital had 25 or more discharges, adjusted by the percentage change in average daily charges for all higher volume hospitals and units between the year in which the hospital had 25 or more CHAMPUS discharges and the base period. The base period amount, however, may not exceed the cap described in paragraph (a)(2)(ii)(B) of this section.

(C) *Special retrospective payment provision for new hospitals.* For purposes of this paragraph, a new hospital is a hospital that qualifies for the Medicare exemption from the rate of increase ceiling applicable to new hospitals which are PPS-exempt psychiatric hospitals. Any new hospital that becomes a higher volume hospital, in addition to qualifying prospectively as a higher volume hospital for purposes of paragraph (a)(2)(v)(B) of this section, may additionally, upon application to the

Director, OCHAMPUS, receive a retrospective adjustment. The retrospective adjustment shall be calculated so that the hospital receives the same government share payments it would have received had it been designated a higher volume hospital for the federal fiscal year in which it first had 25 or more CHAMPUS discharges and the preceding fiscal year (if it had any CHAMPUS patients during the preceding fiscal year). Such new hospitals must agree not to bill CHAMPUS beneficiaries for any additional costs beyond that determined initially.

(D) *Review of classification.* Any hospital or unit which OCHAMPUS erroneously fails to classify as a higher volume hospital may apply to the Director, OCHAMPUS, or a designee, for such a classification. The hospital shall have the burden of proof.

(vi) *Payment for hospital based professional services.* Lower volume hospitals and units may not bill separately for hospital based professional mental health services; payment for those services is included in the per diems. Higher volume hospitals and units, whether they billed CHAMPUS separately for hospital based professional mental health services or included those services in the hospital's billing to CHAMPUS, shall continue the practice in effect during the period July 1, 1987 to May 31, 1988 (or other data base period used for calculating the hospital's or unit's per diem), except that any such hospital or unit may change its prior practice (and obtain an appropriate revision in its per diem) by providing to OCHAMPUS notice in accordance with procedures established by the Director, OCHAMPUS, or a designee.

(vii) *Leave days.* CHAMPUS shall not pay for days where the patient is absent on leave from the specialty psychiatric hospital or unit. The hospital must identify these days when claiming reimbursement. CHAMPUS shall not count a patients's leave of absence as a discharge in determining whether a facility should be classified as a higher volume hospital pursuant to paragraph (a)(2)(v) of this section.

(viii) *Exemptions from the CHAMPUS mental health per diem payment system.* The following providers and procedures are exempt from the CHAMPUS mental health per diem payment system.

(A) *Non-specialty providers.* Providers of inpatient care which are not either psychiatric hospitals or psychiatric specialty units as described in paragraph (a)(2)(i)(A) of this section are exempt from the CHAMPUS mental health per diem payment system. Such providers should refer to paragraph (a)(1) of this section for provisions pertinent to the CHAMPUS DRG-based payment system.

(B) *DRG 424.* Admissions for operating room procedures involving a principal diagnosis of mental illness (services which group into DRG 424) are exempt from the per diem payment system. They will be reimbursed pursuant to the provisions of paragraph (a)(3) of this section.

(C) *Non-mental health services.* Admissions for non-mental health procedures in specialty psychiatric hospitals and units are exempt from the per diem payment system. They will be reimbursed pursuant to the provisions of paragraph (a)(3) of this section.

(D) *Sole community hospitals.* Any hospital which has qualified for special treatment under the Medicare prospective payment system as a sole community hospital and has not given up that classification is exempt.

(E) *Hospitals outside the U.S.* A hospital is exempt if it is not located in one of the 50 states, the District of Columbia or Puerto Rico.

(ix) *Per diem payment for psychiatric and substance use disorder rehabilitation partial hospitalization services*—(A) *In general.* Psychiatric and substance use disorder rehabilitation partial hospitalization services authorized by § 199.4 (b)(10) and (e)(4) and provided by institutional providers authorized under § 199.6 (b)(4)(xii) and (b)(4)(xiv), are reimbursed on the basis of prospectively determined, all-inclusive per diem rates. The per diem payment amount must be accepted as payment in full for all institutional services provided, including board, routine nursing services, ancillary services (includes art, music, dance, occupational and other such therapies), psychological testing and assessments, overhead and

any other services for which the customary practice among similar providers is included as part of the institutional charges.

(B) *Services which may be billed separately.* The following services are not considered as included within the per diem payment amount and may be separately billed when provided by an authorized independent professional provider:

(*1*) *Psychotherapy sessions not included.* Professional services provided by an authorized professional provider (who is not employed by or under contract with the partial hospitalization program) for purposes of providing clinical patient care to a patient in the partial hospitalization program are not included in the per diem rate. They may be separately billed. Professional mental health benefits are limited to a maximum of one session (60 minutes individual, 90 minutes family, etc.) per authorized treatment day not to exceed five sessions in any calendar week.

(*2*) *Non-mental health related medical services.* Those services not normally included in the evaluation and assessment of a partial hospitalization program, non-mental health related medical services, may be separately billed when provided by an authorized independent professional provider. This includes ambulance services when medically necessary for emergency transport.

(C) *Per diem rate.* For any full day partial hospitalization program (minimum of 6 hours), the maximum per diem payment amount is 40 percent of the average inpatient per diem amount per case established under the CHAMPUS mental health per diem reimbursement system for both high and low volume psychiatric hospitals and units (as defined in § 199.14(a)(2)) for the fiscal year. A partial hospitalization program of less than 6 hours (with a minimum of three hours) will be paid a per diem rate of 75 percent of the rate for a full-day program.

(D) *Other requirements.* No payment is due for leave days, for days in which treatment is not provided, or for days in which the duration of the program services was less than three hours.

(3) *Billed charges and set rates.* The allowable costs for authorized care in all hospitals not subject to the CHAMPUS DRG-based payment system or the CHAMPUS mental health per diem payment system shall be determined on the basis of billed charges or set rates. Under this procedure the allowable costs may not exceed the lower of:

(i) The actual charge for such service made to the general public; or

(ii) The allowed charge applicable to the policyholders or subscribers of the CHAMPUS fiscal intermediary for comparable services under comparable circumstances, when extended to CHAMPUS beneficiaries by consent or agreement; or

(iii) The allowed charge applicable to the citizens of the community or state as established by local or state regulatory authority, excluding title XIX of the Social Security Act or other welfare program, when extended to CHAMPUS beneficiaries by consent or agreement.

(4) *CHAMPUS discount rates.* The CHAMPUS-determined allowable cost for authorized care in any hospital may be based on discount rates established under paragraph (i) of this section.

(b) *Skilled Nursing Facilities (SNFs).* The CHAMPUS-determined allowable cost for reimbursement of a SNF shall be determined on the same basis as for hospitals which are not subject to the CHAMPUS DRG-based payment system.

(c) *Reimbursement for Other Than Hospitals and SNFs.* The Director, OCHAMPUS, or a designee, shall establish such other methods of determining allowable cost or charge reimbursement for those institutions, other than hospitals and SNFs, as may be required.

(d) *Payment of institutional facility costs for ambulatory surgery.* (1) *In general.* CHAMPUS pays institutional facility costs for ambulatory surgery on the basis of prospectively determined amounts, as provided in this paragraph. This payment method is similar to that used by the Medicare program for ambulatory surgery. This paragraph applies to payment for institutional charges for ambulatory surgery provided in hospitals and freestanding ambulatory surgical centers. It does not apply to professional services. A list of ambulatory surgery procedures

subject to the payment method set forth in this paragraph shall be published periodically by the Director, OCHAMPUS. Payment to freestanding ambulatory surgery centers is limited to these procedures.

(2) *Payment in full.* The payment provided for under this paragraph is the payment in full for services covered by this paragraph. Facilities may not charge beneficiaries for amounts, if any, in excess of the payment amounts determined pursuant to this paragraph.

(3) *Calculation of standard payment rates.* Standard payment rates are calculated for groups of procedures under the following steps:

(i) *Step 1: Calculate a median standardized cost for each procedure.* For each ambulatory surgery procedure, a median standardized cost will be calculated on the basis of all ambulatory surgery charges nationally under CHAMPUS during a recent one-year base period. The steps in this calculation include standardizing for local labor costs by reference to the same wage index and labor/non-labor-related cost ratio as applies to the facility under Medicare, applying a cost-to-charge ratio, calculating a median cost for each procedure, and updating to the year for which the payment rates will be in effect by the Consumer Price Index-Urban. In applying a cost-to-charge ratio, the Medicare cost-to-charge ratio for freestanding ambulatory surgery centers (FASCs) will be used for all charges from FASCs, and the Medicare cost-to-charge ratio for hospital outpatient settings will be used for all charges from hospitals.

(ii) *Step 2: Grouping procedures.* Procedures will then be placed into one of ten groups by their median per procedure cost, starting with $0 to $299 for group 1 and ending with $1000 to $1299 for group 9 and $1300 and above for group 10, with groups 2 through 8 set on the basis of $100 fixed intervals.

(iii) *Step 3: Adjustments to groups.* The Director, OCHAMPUS may make adjustments to the groupings resulting from step 2 to account for any ambulatory surgery procedures for which there were insufficient data to allow a grouping or to correct for any anomalies resulting from data or statistical factors or other special factors that fairness requires be specially recognized. In making any such adjustments, the Director may take into consideration the placing of particular procedures in the ambulatory surgery groups under Medicare.

(iv) *Step 4: Standard payment amount per group.* The standard payment amount per group will be the volume weighted median per procedure cost for the procedures in that group.

(v) *Step 5: Actual payments.* Actual payment for a procedure will be the standard payment amount for the group which covers that procedure, adjusted for local labor costs by reference to the same labor/non-labor- related cost ratio and hospital wage index as used for ambulatory surgery centers by Medicare.

(4) *Multiple procedures.* In cases in which authorized multiple procedures are performed during the same operative session, payment shall be based on 100 percent of the payment amount for the procedure with the highest ambulatory surgery payment amount, plus, for each other procedure performed during the session, 50 percent of its payment amount.

(5) *Annual updates.* The standard payment amounts will be updated annually by the same update factor as is used in the Medicare annual updates for ambulatory surgery center payments.

(6) *Recalculation of rates.* The Director, OCHAMPUS may periodically recalculate standard payment rates for ambulatory surgery using the steps set forth in paragraph (d)(3) of this section.

(e) *Reimbursement of Birthing Centers.*

(1) Reimbursement for maternity care and childbirth services furnished by an authorized birthing center shall be limited to the lower of the CHAMPUS established all-inclusive rate or the center's most-favored all-inclusive rate.

(2) The all-inclusive rate shall include the following to the extent that they are usually associated with a normal pregnancy and childbirth: Laboratory studies, prenatal management, labor management, delivery, postpartum management, newborn care, birth assistant, certified nurse-midwife

professional services, physician professional services, and the use of the facility.

(3) The CHAMPUS established all-inclusive rate is equal to the sum of the CHAMPUS area prevailing professional charge for total obstetrical care for a normal pregnancy and delivery and the sum of the average CHAMPUS allowable institutional charges for supplies, laboratory, and delivery room for a hospital inpatient normal delivery. The CHAMPUS established all-inclusive rate areas will coincide with those established for prevailing professional charges and will be updated concurrently with the CHAMPUS area prevailing professional charge database.

(4) Extraordinary maternity care services, when otherwise authorized, may be reimbursed at the lesser of the billed charge or the CHAMPUS allowable charge.

(5) Reimbursement for an incomplete course of care will be limited to claims for professional services and tests where the beneficiary has been screened but rejected for admission into the birthing center program, or where the woman has been admitted but is discharged from the birthing center program prior to delivery, adjudicated as individual professional services and items.

(6) The beneficiary's share of the total reimbursement to a birthing center is limited to the cost-share amount plus the amount billed for non-covered services and supplies.

(f) *Reimbursement of Residential Treatment Centers.* The CHAMPUS rate is the per diem rate that CHAMPUS will authorize for all mental health services rendered to a patient and the patient's family as part of the total treatment plan submitted by a CHAMPUS-approved RTC, and approved by the Director, OCHAMPUS, or designee.

(1) The all-inclusive per diem rate for RTCs operating or participating in CHAMPUS during the base period of July 1, 1987, through June 30, 1988, will be the lowest of the following conditions:

(i) The CHAMPUS rate paid to the RTC for all-inclusive services as of June 30, 1988, adjusted by the Consumer Price Index—Urban (CPI–U) for medical care as determined applicable by the Director, OCHAMPUS, or designee; or

(ii) The per diem rate accepted by the RTC from any other agency or organization (public or private) that is high enough to cover one-third of the total patient days during the 12-month period ending June 30, 1988, adjusted by the CPI–U; or

NOTE: The per diem rate accepted by the RTC from any other agency or organization includes the rates accepted from entities such as Government contractors in CHAMPUS demonstration projects.

(iii) An OCHAMPUS determined capped per diem amount not to exceed the 80th percentile of all established CHAMPUS RTC rates nationally, weighted by total CHAMPUS days provided at each rate during the base period discussed in paragraph (f)(1) of this section.

(2) The all-inclusive per diem rates for RTCs which began operation after June 30, 1988, or began operation before July 1, 1988, but had less than 6 months of operation by June 30, 1988, will be calculated based on the lower of the per diem rate accepted by the RTC that is high enough to cover one-third of the total patient days during its first 6 to 12 consecutive months of operation, or the CHAMPUS determined capped amount. Rates for RTCs beginning operation prior to July 1, 1988, will be adjusted by an appropriate CPI–U inflation factor for the period ending June 30, 1988. A period of less than 12 months will be used only when the RTC has been in operation for less than 12 months. Once a full 12 months is available, the rate will be recalculated.

(3) For care on or after April 6, 1995, the per diem amount may not exceed a cap of the 70th percentile of all established Federal fiscal year 1994 RTC rates nationally, weighted by total CHAMPUS days provided at each rate during the first half of Federal fiscal year 1994, and updated to FY95. For Federal fiscal years 1996 and 1997, the cap shall remain unchanged. For Federal fiscal years after fiscal year 1997, the cap shall be adjusted by the Medicare update factor for hospitals and units exempt from the Medicare prospective payment system.

(4) All educational costs, whether they include routine education or special education costs, are excluded from reimbursement except when appropriate education is not available from, or not payable by, a cognizant public entity.

(i) The RTC shall exclude educational costs from its daily costs.

(ii) The RTC's accounting system must be adequate to assure CHAMPUS is not billed for educational costs.

(iii) The RTC may request payment of educational costs on an individual case basis from the Director, OCHAMPUS, or designee, when appropriate education is not available from, or not payable by, a cognizant public entity. To qualify for reimbursement of educational costs in individual cases, the RTC shall comply with the application procedures established by the Director, OCHAMPUS, or designee, including, but not limited to, the following:

(A) As part of its admission procedures, the RTC must counsel and assist the beneficiary and the beneficiary's family in the necessary procedures for assuring their rights to a free and appropriate public education.

(B) The RTC must document any reasons why an individual beneficiary cannot attend public educational facilities and, in such a case, why alternative educational arrangements have not been provided by the cognizant public entity.

(C) If reimbursement of educational costs is approved for an individual beneficiary by the Director, OCHAMPUS, or designee, such educational costs shall be shown separately from the RTC's daily costs on the CHAMPUS claim. The amount paid shall not exceed the RTC's most-favorable rate to any other patient, agency, or organization for special or general educational services whichever is appropriate.

(D) If the RTC fails to request CHAMPUS approval of the educational costs on an individual case, the RTC agrees not to bill the beneficiary or the beneficiary's family for any amounts disallowed by CHAMPUS. Requests for payment of educational costs must be referred to the Director, OCHAMPUS, or designee for review and a determination of the applicability of CHAMPUS benefits.

(5) Subject to the applicable RTC cap, adjustments to the RTC rates may be made annually.

(i) For Federal fiscal years through 1995, the adjustment shall be based on the Consumer Price Index-Urban (CPI–U) for medical care as determined applicable by the Director, OCHAMPUS.

(ii) For purposes of rates for Federal fiscal years 1996 and 1997:

(A) For any RTC whose 1995 rate was at or above the thirtieth percentile of all established Federal fiscal year 1995 RTC rates normally, weighted by total CHAMPUS days provided at each rate during the first half of Federal fiscal year 1994, that rate shall remain in effect, with no additional update, throughout fiscal years 1996 and 1997; and

(B) For any RTC whose 1995 rate was below the 30th percentile level determined under paragraph (f)(5)(ii)(A) of this section, the rate shall be adjusted by the lesser of: the CPI–U for medical care, or the amount that brings the rate up to that 30th percentile level.

(iii) For subsequent Federal fiscal years after fiscal year 1997, RTC rates shall be updated by the Medicare update factor for hospitals and units exempt from the Medicare prospective payment system.

(6) For care provided on or after July 1, 1995, CHAMPUS will not pay for days in which the patient is absent on leave from the RTC. The RTC must identify these days when claiming reimbursement.

(g) *Reimbursement of hospice programs.* Hospice care will be reimbursed at one of four predetermined national CHAMPUS rates based on the type and intensity of services furnished to the beneficiary. A single rate is applicable for each day of care except for continuous home care where payment is based on the number of hours of care furnished during a 24-hour period. These rates will be adjusted for regional differences in wages using wage indices for hospice care.

(1) *National hospice rates.* CHAMPUS will use the national hospice rates for reimbursement of each of the following

levels of care provided by or under arrangement with a CHAMPUS approved hospice program:

(i) *Routine home care.* The hospice will be paid the routine home care rate for each day the patient is at home, under the care of the hospice, and not receiving continuous home care. This rate is paid without regard to the volume or intensity of routine home care services provided on any given day.

(ii) *Continuous home care.* The hospice will be paid the continuous home care rate when continuous home care is provided. The continuous home care rate is divided by 24 hours in order to arrive at an hourly rate.

(A) A minimum of 8 hours of care must be provided within a 24-hour day starting and ending at midnight.

(B) More than half of the total actual hours being billed for each 24-hour period must be provided by either a registered or licensed practical nurse.

(C) Homemaker and home health aide services may be provided to supplement the nursing care to enable the beneficiary to remain at home.

(D) For every hour or part of an hour of continuous care furnished, the hourly rate will be reimbursed to the hospice up to 24 hours a day.

(iii) *Inpatient respite care.* The hospice will be paid at the inpatient respite care rate for each day on which the beneficiary is in an approved inpatient facility and is receiving respite care.

(A) Payment for respite care may be made for a maximum of 5 days at a time, including the date of admission but not counting the date of discharge. The necessity and frequency of respite care will be determined by the hospice interdisciplinary group with input from the patient's attending physician and the hospice's medical director.

(B) Payment for the sixth and any subsequent days is to be made at the routine home care rate.

(iv) *General inpatient care.* Payment at the inpatient rate will be made when general inpatient care is provided for pain control or acute or chronic symptom management which cannot be managed in other settings. None of the other fixed payment rates (i.e., routine home care) will be applicable for a day on which the patient receives general inpatient care except on the date of discharge.

(v) *Date of discharge.* For the day of discharge from an inpatient unit, the appropriate home care rate is to be paid unless the patient dies as an inpatient. When the patient is discharged deceased, the inpatient rate (general or respite) is to be paid for the discharge date.

(2) *Use of Medicare rates.* CHAMPUS will use the most current Medicare rates to reimburse hospice programs for services provided to CHAMPUS beneficiaries. It is CHAMPUS' intent to adopt changes in the Medicare reimbursement methodology as they occur; e.g., Medicare's adoption of an updated, more accurate wage index.

(3) *Physician reimbursement.* Payment is dependent on the physician's relationship with both the beneficiary and the hospice program.

(i) *Physicians employed by, or contracted with, the hospice.* (A) Administrative and supervisory activities (i.e., establishment, review and updating of plans of care, supervising care and services, and establishing governing policies) are included in the adjusted national payment rate.

(B) Direct patient care services are paid in addition to the adjusted national payment rate.

(*1*) Physician services will be reimbursed an amount equivalent to 100 percent of the CHAMPUS' allowable charge; i.e., there will be no cost-sharing and/or deductibles for hospice physician services.

(*2*) Physician payments will be counted toward the hospice cap limitation.

(ii) *Independent attending physician.* Patient care services rendered by an independent attending physician (a physician who is not considered employed by or under contract with the hospice) are not part of the hospice benefit.

(A) Attending physician may bill in his/her own right.

(B) Services will be subject to the appropriate allowable charge methodology.

(C) Reimbursement is not counted toward the hospice cap limitation.

(D) Services provided by an independent attending physician must be coordinated with any direct care services provided by hospice physicians.

(E) The hospice must notify the CHAMPUS contractor of the name of the physician whenever the attending physician is not a hospice employee.

(iii) *Voluntary physician services.* No payment will be allowed for physician services furnished voluntarily (both physicians employed by, and under contract with, the hospice and independent attending physicians). Physicians may not discriminate against CHAMPUS beneficiaries; e.g., designate all services rendered to non-CHAMPUS patients as volunteer and at the same time bill for CHAMPUS patients.

(4) *Unrelated medical treatment.* Any covered CHAMPUS services not related to the treatment of the terminal condition for which hospice care was elected will be paid in accordance with standard reimbursement methodologies; i.e., payment for these services will be subject to standard deductible and cost-sharing provisions under the CHAMPUS. A determination must be made whether or not services provided are related to the individual's terminal illness. Many illnesses may occur when an individual is terminally ill which are brought on by the underlying condition of the ill patient. For example, it is not unusual for a terminally ill patient to develop pneumonia or some other illness as a result of his or her weakened condition. Similarly, the setting of bones after fractures occur in a bone cancer patient would be treatment of a related condition. Thus, if the treatment or control of an upper respiratory tract infection is due to the weakened state of the terminal patient, it will be considered a related condition, and as such, will be included in the hospice daily rates.

(5) *Cap amount.* Each CHAMPUS-approved hospice program will be subject to a cap on aggregate CHAMPUS payments from November 1 through October 31 of each year, hereafter known as ''the cap period.''

(i) The cap amount will be adjusted annually by the percent of increase or decrease in the medical expenditure category of the Consumer Price Index for all urban consumers (CPI–U).

(ii) The aggregate cap amount (i.e., the statutory cap amount times the number of CHAMPUS beneficiaries electing hospice care during the cap period) will be compared with total actual CHAMPUS payments made during the same cap period.

(iii) Payments in excess of the cap amount must be refunded by the hospice program. The adjusted cap amount will be obtained from the Health Care Financing Administration (HCFA) prior to the end of each cap period.

(iv) Calculation of the cap amount for a hospice which has not participated in the program for an entire cap year (November 1 through October 31) will be based on a period of at least 12 months but no more than 23 months. For example, the first cap period for a hospice entering the program on October 1, 1994, would run from October 1, 1994 through October 31, 1995. Similarly, the first cap period for hospice providers entering the program after November 1, 1993 but before November 1, 1994 would end October 31, 1995.

(6) *Inpatient limitation.* During the 12-month period beginning November 1 of each year and ending October 31, the aggregate number of inpatient days, both for general inpatient care and respite care, may not exceed 20 percent of the aggregate total number of days of hospice care provided to all CHAMPUS beneficiaries during the same period.

(i) If the number of days of inpatient care furnished to CHAMPUS beneficiaries exceeds 20 percent of the total days of hospice care to CHAMPUS beneficiaries, the total payment for inpatient care is determined follows:

(A) Calculate the ratio of the maximum number of allowable inpatient days of the actual number of inpatient care days furnished by the hospice to Medicare patients.

(B) Multiply this ratio by the total reimbursement for inpatient care made by the CHAMPUS contractor.

(C) Multiply the number of actual inpatient days in excess of the limitation by the routine home care rate.

(D) Add the amounts calculated in paragraphs (g)(6)(i) (B) and (C) of this section.

(ii) Compare the total payment for inpatient care calculated in paragraph (g)(6)(i)(D) of this section to actual payments made to the hospice for inpatient care during the cap period.

(iii) Payments in excess of the inpatient limitation must be refunded by the hospice program.

(7) *Hospice reporting responsibilities.* The hospice is responsible for reporting the following data within 30 days after the end of the cap period:

(i) Total reimbursement received and receivable for services furnished CHAMPUS beneficiaries during the cap period, including physician's services not of an administrative or general supervisory nature.

(ii) Total reimbursement received and receivable for general inpatient care and inpatient respite care furnished to CHAMPUS beneficiaries during the cap period.

(iii) Total number of inpatient days furnished to CHAMPUS hospice patients (both general inpatient and inpatient respite days) during the cap period.

(iv) Total number of CHAMPUS hospice days (both inpatient and home care) during the cap period.

(v) Total number of beneficiaries electing hospice care. The following rules must be adhered to by the hospice in determining the number of CHAMPUS beneficiaries who have elected hospice care during the period:

(A) The beneficiary must not have been counted previously in either another hospice's cap or another reporting year.

(B) The beneficiary must file an initial election statement during the period beginning September 28 of the previous cap year through September 27 of the current cap year in order to be counted as an electing CHAMPUS beneficiary during the current cap year.

(C) Once a beneficiary has been included in the calculation of a hospice cap amount, he or she may not be included in the cap for that hospice again, even if the number of covered days in a subsequent reporting period exceeds that of the period where the beneficiary was included.

(D) There will be proportional application of the cap amount when a beneficiary elects to receive hospice benefits from two or more different CHAMPUS-certified hospices. A calculation must be made to determine the percentage of the patient's length of stay in each hospice relative to the total length of hospice stay.

(8) *Reconsideration of cap amount and inpatient limit.* A hospice dissatisfied with the contractor's calculation and application of its cap amount and/or inpatient limitation may request and obtain a contractor review if the amount of program reimbursement in controversy—with respect to matters which the hospice has a right to review—is at least $1000. The administrative review by the contractor of the calculation and application of the cap amount and inpatient limitation is the only administrative review available. These calculations are not subject to the appeal procedures set forth in § 199.10. The methods and standards for calculation of the hospice payment rates established by CHAMPUS, as well as questions as to the validity of the applicable law, regulations or CHAMPUS decisions, are not subject to administrative review, including the appeal procedures of § 199.10.

(9) *Beneficiary cost-sharing.* There are no deductibles under the CHAMPUS hospice benefit. CHAMPUS pays the full cost of all covered services for the terminal illness, except for small cost-share amounts which *may be* collected by the individual hospice for outpatient drugs and biologicals and inpatient respite care.

(i) The patient is responsible for 5 percent of the cost of outpatient drugs or $5 toward each prescription, whichever is less. Additionally, the cost of prescription drugs (drugs or biologicals) may not exceed that which a prudent buyer would pay in similar circumstances; that is, a buyer who refuses to pay more than the going price for an item or service and also seeks to economize by minimizing costs.

(ii) For inpatient respite care, the cost-share for each respite care day is equal to 5 percent of the amount CHAMPUS has estimated to be the cost of respite care, after adjusting the national rate for local wage differences.

(iii) The amount of the individual cost-share liability for respite care during a hospice cost-share period may

not exceed the Medicare inpatient hospital deductible applicable for the year in which the hospice cost-share period began. The individual hospice cost-share period begins on the first day an election is in effect for the beneficiary and ends with the close of the first period of 14 consecutive days on each of which an election is not in effect for the beneficiary.

(h) *Reimbursement of Individual Health-Care Professionals and Other Non-Insitutional Health-Care Providers.* The CHAMPUS-determined reasonable charge (the amount allowed by CHAMPUS) for the services of an individual health-care professional or other non-institutional health-care provider (even if employed by or under contract to an institutional provider) shall be determined by one of the following methodolgies, that is, whichever is in effect in the specific geographic location at the time covered services and supplies are provided to a CHAMPUS beneficiary.

(1) *Allowable charge method*—(i) *Introduction*—(A) *In general.* The allowable charge method is the preferred and primary method for reimbursement of individual health care professionals and other non-institutional health care providers (covered by 10 U.S.C. 1079(h)(1)). The allowable charge for authorized care shall be the lower of the billed charge or the local CHAMPUS Maximum Allowable Charge (CMAC).

(B) *CHAMPUS Maximum Allowable Charge.* Beginning in calendar year 1992, prevailing charge levels and appropriate charge levels will be calculated on a national level. There will then be calculated a national CHAMPUS Maximum Allowable Charge (CMAC) level for each procedure, which shall be the lesser of the national prevailing charge level or the national appropriate charge level. The national CMAC will then be adjusted for localities in accordance with paragraph (g)(1)(iv) of this section.

(C) *Limits on balance billing by non-participating providers.* Nonparticipating providers may not balance bill a beneficiary an amount which exceeds the applicable balance billing limit. The balance billing limit shall be the same percentage as the Medicare limiting charge percentage for nonparticipating physicians. The balance billing limit may be waived by the Director, OCHAMPUS on a case-by-case basis if requested by the CHAMPUS beneficiary (or sponsor) involved. A decision by the Director to waive or not waive the limit in any particular case is not subject to the appeal and hearing procedures of § 199.10.

(D) Special rule for TRICARE Prime Enrollees. In the case of a TRICARE Prime enrollee (see § 199.17) who receives authorized care from a non-participating provider, the CHAMPUS determined reasonable charge will be the CMAC level as established in paragraph (h)(1)(i)(B) of this section plus any balance billing amount up to the balance billing limit as referred to in paragraph (h)(1)(i)(C) of this section. The authorization for such care shall be pursuant to the procedures established by the Director, OCHAMPUS (also referred to as the TRICARE Support Office).

(ii) *Prevailing charge level.* (A) Beginning in calendar year 1992, the prevailing charge level shall be calculated on a national basis.

(B) The national prevailing charge level referred to in paragraph (g)(1)(ii)(A) of this section is the level that does not exceed the amount equivalent to the 80th percentile of billed charges made for similar services during the base period. The 80th percentile of charges shall be determined on the basis of statistical data and methodology acceptable to the Director, OCHAMPUS (or a designee).

(C) For purposes of paragraph (g)(1)(ii)(B) of this section, the base period shall be a period of 12 calendar months and shall be adjusted once a year, unless the Director, OCHAMPUS, determines that a different period for adjustment is appropriate and publishes a notice to that effect in the FEDERAL REGISTER.

(iii) *Appropriate charge level.* Beginning in calendar year 1992, the appropriate charge level shall be calculated on a national basis. The appropriate charge level for each procedure is the product of the two-step process set forth in paragraphs (g)(1)(iii) (A) and (B) of this section. This process involves comparing the prior year's

CMAC with the fully phased in Medicare fee. For years after the Medicare fee has been fully phased in, the comparison shall be to the current year Medicare fee. For any particular procedure for which comparable Medicare fee and CHAMPUS data are unavailable, but for which alternative data are available that the Director, OCHAMPUS (or designee) determines provide a reasonable approximation of relative value or price, the comparison may be based on such alternative data.

(A) *Step 1: Procedures classified.* All procedures are classified into one of three categories, as follows:

(*1*) *Overpriced procedures.* These are the procedures for which the prior year's national CMAC exceeds the Medicare fee.

(*2*) *Other procedures.* These are procedures subject to the allowable charge method that are not included in either the overpriced procedures group or the underpriced procedures group.

(*3*) *Underpriced procedures.* These are the procedures for which the prior year's national CMAC is less than the Medicare fee.

(B) *Step 2: Calculating appropriate charge levels.* For each year, appropriate charge levels will be calculated by adjusting the prior year's CMAC as follows:

(*1*) For overpriced procedures, the appropriate charge level for each procedure shall be the prior year's CMAC, reduced by the lesser of: the percentage by which it exceeds the Medicare fee or fifteen percent.

(*2*) For other procedures, the appropriate charge level for each procedure shall be the same as the prior year's CMAC.

(*3*) For underpriced procedures, the appropriate charge level for each procedure shall be the prior year's CMAC, increased by the lesser of: the percentage by which it is exceeded by the Medicare fee or the Medicare Economic Index.

(C) *Special rule for cases in which the CHAMPUS appropriate charge was prematurely reduced.* In any case in which a recalculation of the Medicare fee results in a Medicare rate higher than the CHAMPUS appropriate charge for a procedure that had been considered an overpriced procedure, the reduction in the CHAMPUS appropriate charge shall be restored up to the level of the recalculated Medicare rate.

(iv) *Calculating CHAMPUS Maximum Allowable Charge levels for localities.*

(A) *In general.* The national CHAMPUS Maximum Allowable Charge level for each procedure will be adjusted for localities using the same (or similar) geographical areas and the same geographic adjustment factors as are used for determining allowable charges under Medicare.

(B) *Special locality-based phase-in provision.*

(*1*) *In general.* Beginning with the recalculation of CMACS for calendar year 1993, the CMAC in a locality will not be less than 72.25 percent of the maximum charge level in effect for that locality on December 31, 1991. For recalculations of CMACs for calendar years after 1993, the CMAC in a locality will not be less than 85 percent of the CMAC in effect for that locality at the end of the prior calendar year.

(*2*) *Exception.* The special locality-based phase-in provision established by paragraph (g)(1)(iv)(B)(*1*) of this section shall not be applicable in the case of any procedure code for which there were not CHAMPUS claims in the locality accounting for at least 50 services.

(C) *Special locality-based waivers of reductions to assure adequate access to care.* Beginning with the recalculation of CMACs for calendar year 1993, in the case of any procedure classified as an overpriced procedure pursuant to paragraph (g)(1)(iii)(A)(*1*) of this section, a reduction in the CMAC in a locality below the level in effect at the end of the previous calendar year that would otherwise occur pursuant to paragraphs (g)(1)(iii) and (g)(1)(iv) of this section may be waived pursuant to paragraph (g)(1)(iii)(C) of this section.

(*1*) *Waiver based on balanced billing rates.* Except as provided in paragraph (g)(1)(iv)(C)(*2*) of this section such a reduction will be waived if there has been excessive balance billing in the locality for the procedure involved. For this purpose, the extent of balance billing will be determined based on a review of all services under the procedure code

involved in the prior year (or most recent period for which data are available). If the number of services for which balance billing was not required was less than 60 percent of all services provided, the Director will determine that there was excessive balance billing with respect to that procedure in that locality and will waive the reduction in the CMAC that would otherwise occur. A decision by the Director to waive or not waive the reduction is not subject to the appeal and hearing procedures of § 199.10.

(*2*) *Exception.* As an exception to the paragraph (g)(1)(iv)(C)(*1*) of this section, the waiver required by that paragraph shall not be applicable in the case of any procedure code for which there were not CHAMPUS claims in the locality accounting for at least 50 services. A waiver may, however, be granted in such cases pursuant to paragraph (g)(1)(iv)(C)(*3*) of this section.

(*3*) *Waiver based on other evidence that adequate access to care would be impaired.* The Director, OCHAMPUS may waive a reduction that would otherwise occur (or restore a reduction that was already taken) if the Director determines that available evidence shows that the reduction would impair adequate access. For this purpose, such evidence may include consideration of the number of providers in the locality who provide the affected services, the number of such providers who are CHAMPUS Participating Providers, the number of CHAMPUS beneficiaries in the area, and other relevant factors. Providers or beneficiaries in a locality may submit to the Director, OCHAMPUS a petition, together with appropriate documentation regarding relevant factors, for a determination that adequate access would be impaired. The Director, OCHAMPUS will consider and respond to all such petitions. Petitions may be filed at any time. Any petition received by the date which is 120 days prior to the implementation of a recalculation of CMACs will be assured of consideration prior to that implementation. The Director, OCHAMPUS may establish procedures for handling petitions. A decision by the Director to waive or not waive a reduction is not subject to the appeal and hearing procedures of § 199.10.

(v) *Special rules for 1991.*

(A) Appropriate charge levels for care provided on or after January 1, 1991, and before the 1992 appropriate levels take effect shall be the same as those in effect on December 31, 1990, except that appropriate charge levels for care provided on or after October 7, 1991, shall be those established pursuant to this paragraph (g)(1)(v) of this section.

(B) Appropriate charge levels will be established for each locality for which a appropriate charge level was in effect immediately prior to October 7, 1991. For each procedure, the appropriate charge level shall be the prevailing charge level in effect immediately prior to October 7, 1991, adjusted as provided in (g)(1)(v)(B) (*1*) through (*3*) of this section.

(*1*) For each overpriced procedure, the level shall be reduced by fifteen percent. For this purpose, overpriced procedures are the procedures determined by the Physician Payment Review Commission to be overvalued pursuant to the process established under the Medicare program, other procedures considered overvalued in the Medicare program (for which Congress directed reductions in Medicare allowable levels for 1991), radiology procedures and pathology procedures.

(*2*) For each other procedure, the level shall remain unchanged. For this purpose, other procedures are procedures which are not overpriced procedures or primary care procedures.

(*3*) For each primary care procedure, the level shall be adjusted by the MEI, as the MEI is applied to Medicare prevailing charge levels. For this purpose, primary care procedures include maternity care and delivery services and well baby care services.

(C) For purposes of this paragraph (g)(i)(v), ''appropriate charge levels'' in effect at any time prior to October 7, 1991 shall mean the lesser of:

(*1*) The prevailing charge levels then in effect, or

(*2*) The fiscal year 1988 prevailing charge levels adjusted by the Medicare Economic Index (MEI), as the MEI was applied beginning in the fiscal year 1989.

(vi) *Special transition rule for 1992.*

(A) For purposes of calculating the national appropriate charge levels for

1992, the prior year's appropriate charge level for each service will be considered to be the level that does not exceed the amount equivalent to the 80th percentile of billed charges made for similar services during the base period of July 1, 1986 to June 30, 1987 (determined as under paragraph (g)(1)(ii)(B) of this section), adjusted to calendar year 1991 based on the adjustments made for maximum CHAMPUS allowable charge levels through 1990 and the application of paragraph (g)(1)(v) of this section for 1991.

(B) The adjustment to calendar year 1991 of the product of paragraph (g)(1)(vi)(A) of this section shall be as follows:

(*1*) For procedures other than those described in paragraph (g)(1)(vi)(B)(*2*) of this section, the adjustment to 1991 shall be on the same basis as that provided under paragraph (g)(1)(v) of this section.

(*2*) For any procedure that was considered an overpriced procedure for purposes of the 1991 appropriate charge levels under paragraph (g)(1)(v) of this section for which the resulting 1991 appropriate charge level was less than 150 percent of the Medicare converted relative value unit, the adjustment to 1991 for purposes of the special transition rule for 1992 shall be as if the procedure had been treated under paragraph (g)(1)(v)(B)(*2*) of this section for purposes of the 1991 appropriate charge level.

(vii) *Adjustments and procedural rules.*

(A) The Director, OCHAMPUS may make adjustments to the appropriate charge levels calculated pursuant to paragraphs (g)(1)(iii) and (g)(1)(v) of this section to correct any anomalies resulting from data or statistical factors, significant differences between Medicare-relevant information and CHAMPUS-relevant considerations or other special factors that fairness requires be specially recognized. However, no such adjustment may result in reducing an appropriate charge level.

(B) The Director, OCHAMPUS will issue procedural instructions for administration of the allowable charge method.

(viii) *Clinical laboratory services.* The allowable charge for clinical diagnostic laboratory test services shall be calculated in the same manner as allowable charges for other individual health care providers are calculated pursuant to paragraphs (g)(1)(i) through (g)(1)(iv) of this section, with the following exceptions and clarifications.

(A) The calculation of national prevailing charge levels, national appropriate charge levels and national CMACs for laboratory service shall begin in calendar year 1993. For purposes of the 1993 calculation, the prior year's national appropriate charge level or national prevailing charge level shall be the level that does not exceed the amount equivalent to the 80th percentile of billed charges made for similar services during the period July 1, 1991, through June 30, 1992 (referred to in this paragraph (g)(1)(viii) of this section as the ''base period'').

(B) For purposes of comparison to Medicare allowable payment amounts pursuant to paragraph (g)(1)(iii) of this section, the Medicare national laboratory payment limitation amounts shall be used.

(C) For purposes of establishing laboratory service local CMACs pursuant to paragraph (g)(1)(iv) of this section, the adjustment factor shall equal the ratio of the local average charge (standardized for the distribution of clinical laboratory services) to the national average charge for all clinical laboratory services during the base period.

(D) For purposes of a special locality-based phase-in provision similar to that established by paragraph (g)(1)(iv)(B) of this section, the CMAC in a locality will not be less than 85 percent of the maximum charge level in effect for that locality during the base period.

(ix) The allowable charge for physician assistant services other than assistant-at-surgery may not exceed 85 percent of the allowable charge for a comparable service rendered by a physician performing the service in a similar location. For cases in which the physician assistant and the physician perform component services of a procedure other than assistant-at-surgery (e.g., home, office or hospital visit), the combined allowable charge for the procedure may not exceed the allowable charge for the procedure rendered by a

physician alone. The allowable charge for physician assistant services performed as an assistant-at-surgery may not exceed 65 percent of the allowable charge for a physician serving as an assistant surgeon when authorized as CHAMPUS benefits in accordance with the provisions of § 199.4(c)(3)(iii). Physician assistant services must be billed through the employing physician who must be an authorized CHAMPUS provider.

(x) A charge that exceeds the CHAMPUS Maximum Allowable Charge can be determined to be allowable only when unusual circumstances or medical complications justify the higher charge. The allowable charge may not exceed the billed charge under any circumstances.

(2) *All-inclusive rate.* Claims from individual health-care professional providers for services rendered to CHAMPUS beneficiaries residing in an RTC that is either being reimbursed on an all-inclusive per diem rate, or is billing an all-inclusive per diem rate, shall be denied; with the exception of independent health-care professionals providing geographically distant family therapy to a family member residing a minimum of 250 miles from the RTC or covered medical services related to a nonmental health condition rendered outside the RTC. Reimbursement for individual professional services is included in the rate paid the institutional provider.

(3) *Alternative method.* The Director, OCHAMPUS, or a designee, may, subject to the approval of the ASD(HA), establish an alternative method of reimbursement designed to produce reasonable control over health care costs and to ensure a high level of acceptance of the CHAMPUS-determined charge by the individual health-care professionals or other noninstitutional health-care providers furnishing services and supplies to CHAMPUS beneficiaries. Alternative methods may not result in reimbursement greater than the allowable charge method above.

(i) *Reimbursement Under the Military-Civilian Health Services Partnership Program.* The Military-Civilian Health Services Partnership Program, as authorized by section 1096, chapter 55, title 10, provides for the sharing of staff, equipment, and resources between the civilian and military health care system in order to achieve more effective, efficient, or economical health care for authorized beneficiaries. Military treatment facility commanders, based upon the authority provided by their respective Surgeons General of the military departments, are responsible for entering into individual partnership agreements only when they have determined specifically that use of the Partnership Program is more economical overall to the Government than referring the need for health care services to the civilian community under the normal operation of the CHAMPUS Program. (See paragraph (p) of § 199.1 for general requirements of the Partnership Program.)

(1) *Reimbursement of institutional health care providers.* Reimbursement of institutional health care providers under the Partnership Program shall be on the same basis as non-Partnership providers.

(2) *Reimbursement of individual health-care professionals and other non-institutional health care providers.* Reimbursement of individual health care professionals and other non-institutional health care providers shall be on the same basis as non-Partnership providers as detailed in paragraph (g) of this section.

(j) *Accommodation of Discounts Under Provider Reimbursement Methods.*

(1) *General rule.* The Director. OCHAMPUS (or designee) has authority to reimburse a provider at an amount below the amount usually paid pursuant to this section when, under a program approved by the Director, the provider has agreed to the lower amount.

(2) *Special applications.* The following are examples of applications of the general rule; they are not all inclusive.

(i) In the case and individual health care professionals and other non-institutional providers, if the discounted fee is below the provider's normal billed charge and the prevailing charge level (see paragraph (g) of this section), the discounted fee shall be the provider's actual billed charge and the CHAMPUS allowable charge.

(ii) In the case of institutional providers normally paid on the basis of a pre-set amount (such as DRG-based amount under paragraph (a)(1) of this section or per-diem amount under paragraph (a)(2) of this section), if the discount rate is lower than the pre-set rate, the discounted rate shall be the CHAMPUS-determined allowable cost. This is an exception to the usual rule that the pre-set rate is paid regardless of the institutional provider's billed charges or other factors.

(3) *Procedures.*

(i) This paragraph applies only when both the provider and the Director have agreed to the discounted payment rate. The Director's agreement may be in the context of approval of a program that allows for such discounts.

(ii) The Director of OCHAMPUS may establish uniform terms, conditions and limitations for this payment method in order to avoid administrative complexity.

(k) *Outside the United States.* The Director, OCHAMPUS, or a designee, shall determine the appropriate reimbursement method or methods to be used in the extension of CHAMPUS benefits for otherwise covered medical services or supplies provided by hospitals or other institutional providers, physicians or other individual professional providers, or other providers outside the United States.

(l) *Implementing Instructions.* The Director, OCHAMPUS, or a designee, shall issue CHAMPUS policies, instructions, procedures, and guidelines, as may be necessary to implement the intent of this section.

[55 FR 13266, Apr. 10, 1990, as amended at 55 FR 31180, Aug. 1, 1990; 55 FR 42562, Oct. 22, 1990; 55 FR 43342, Oct. 29, 1990; 56 FR 44006, Sept. 6, 1991; 56 FR 50273, Oct. 4, 1991; 58 FR 35408, July 1, 1993; 58 FR 51239, Oct. 1, 1993; 58 FR 58961, Nov. 5, 1993; 60 FR 6019, Feb. 1, 1995; 60 FR 12437, Mar. 7, 1995; 60 FR 52094, Oct. 5, 1995; 63 FR 7287, Feb. 13, 1998]

§199.15 Quality and utilization review peer review organization program.

(a) *General.* (1) *Purpose.* The purpose of this section is to establish rules and procedures for the CHAMPUS Quality and Utilization Review Peer Review Organization program.

(2) *Applicability of program.* All claims submitted for health services under CHAMPUS are subject to review for quality of care and appropriate utilization. The Director, OCHAMPUS shall establish generally accepted standards, norms and criteria as are necessary for this program of utilization and quality review. These standards, norms and criteria shall include, but not be limited to, need for inpatient admission or inpatient or outpatient service, length of inpatient stay, intensity of care, appropriateness of treatment, and level of institutional care required. The Director, OCHAMPUS may issue implementing instructions, procedures and guidelines for retrospective, concurrent and prospective review.

(3) *Contractor implementation.* The CHAMPUS Quality and Utilization Review Peer Review Organization program may be implemented through contracts administered by the Director, OCHAMPUS. These contractors may include contractors that have exclusive functions in the area of utilization and quality review, fiscal intermediary contractors (which perform these functions along with a broad range of administrative services), and managed care contractors (which perform a range of functions concerning management of the delivery and financing of health care services under CHAMPUS). Regardless of the contractors involved, utilization and quality review activities follow the same standards, rules and procedures set forth in this section, unless otherwise specifically provided in this section or elsewhere in this part.

(4) *Medical issues affected.* The CHAMPUS Quality and Utilization Review Peer Review Organization program is distinguishable in purpose and impact from other activities relating to the administration and management of CHAMPUS in that the Peer Review Organization program is concerned primarily with medical judgments regarding the quality and appropriateness of health care services. Issues regarding such matters as benefit limitations are similar, but, if not determined on the basis of medical judgments, are governed by CHAMPUS rules and procedures other than those provided in this section. (See, for example, §199.7 regarding claims submission, review and payment.) Based on this purpose, a

major attribute of the Peer Review Organization program is that medical judgments are made by (directly or pursuant to guidelines and subject to direct review) reviewers who are peers of the health care providers providing the services under review.

(5) *Provider responsibilities.* Because of the dominance of medical judgments in the quality and utilization review program, principal responsibility for complying with program rules and procedures rests with health care providers. For this reason, there are limitations, set forth in this section and in § 199.4(h), on the extent to which beneficiaries may be held financially liable for health care services not provided in conformity with rules and procedures of the quality and utilization review program concerning medical necessity of care.

(6) *Medicare rules used as model.* The CHAMPUS Quality and Utilization Review Peer Review Organization program, based on specific statutory authority, follows many of the quality and utilization review requirements and procedures in effect for the Medicare Peer Review Organization program, subject to adaptations appropriate for the CHAMPUS program.

(b) *Objectives and general requirements of review system*—(1) *In general.* Broadly, the program of quality and utilization review has as its objective to review the quality, completeness and adequacy of care provided, as well as its necessity, appropriateness and reasonableness.

(2) *Payment exclusion for services provided contrary to utilization and quality standards.* (i) In any case in which health care services are provided in a manner determined to be contrary to quality or necessity standards established under the quality and utilization review program, payment may be wholly or partially excluded.

(ii) In any case in which payment is excluded pursuant to paragraph (b)(2)(i) of this section, the patient (or the patient's family) may not be billed for the excluded services.

(iii) Limited exceptions and other special provisions pertaining to the requirements established in paragraphs (b)(2) (i) and (ii) of this section, are set forth in § 199.4(h).

(3) *Review of services covered by DRG-based payment system.* Application of these objectives in the context of hospital services covered by the DRG-based payment system also includes a validation of diagnosis and procedural information that determines CHAMPUS reimbursement, and a review of the necessity and appropriateness of care for which payment is sought on an outlier basis.

(4) *Preauthorization and other utilization review procedures*—(i) *In general.* All health care services for which payment is sought under CHAMPUS are subject to review for appropriateness of utilization. The procedures for this review may be prospective (before the care is provided), concurrent (while the care is in process), or retrospective (after the care has been provided). Regardless of the procedures of this utilization review, the same generally accepted standards, norms and criteria for evaluating the necessity, appropriateness and reasonableness of the care involved shall apply. The Director, OCHAMPUS shall establish procedures for conducting reviews, including identification of types of health care services for which preauthorization or concurrent review shall be required. Preauthorization or concurrent review may be required for any categories of health care services. Except where required by law, the categories of health care services for which preauthorization or concurrent review is required may vary in different geographical locations or for different types of providers.

(ii) *Preauthorization procedures.* With respect to categories of health care (inpatient or outpatient) for which preauthorization is required, the following procedures shall apply:

(A) The requirement for preauthorization shall be widely publicized to beneficiaries and providers.

(B) All requests for preauthorization shall be responded to in writing. Notification of approval or denial shall be sent to the beneficiary. Approvals shall specify the health care services and supplies approved and identify any special limits or further requirements applicable to the particular case.

(C) An approved preauthorization shall state the number of days, appropriate for the type of care involved, for

which it is valid. In general, preauthorizations will be valid for 30 days. If the services or supplies are not obtained within the number of days specified, a new preauthorization request is required.

(iii) *Payment reduction for noncompliance with required utilization review procedures.* (A) Paragraph (b)(4)(iii) of this section applies to any case in which:

(*1*) A provider was required to obtain preauthorization or continued stay (in connection with required concurrent review procedures) approval.

(*2*) The provider failed to obtain the necessary approval; and

(*3*) The health care services have not been disallowed on the basis of necessity, appropriateness or reasonableness.

In such a case, reimbursement will be reduced, unless such reduction is waived based on special circumstances.

(B) In a case described in paragraph (b)(4)(iii)(A) of this section, reimbursement will be reduced, unless such reduction is waived based on special circumstances. The amount of this reduction shall be ten percent of the amount otherwise allowable for services for which preauthorization (including preauthorization for continued stays in connection with concurrent review requirements) approval should have been obtained, but was not obtained. In the case of hospital admissions reimbursed under the DRG-based payment system, the reduction shall be taken against the percentage (between zero and 100 percent) of the total reimbursement equal to the number of days of care provided without preauthorization approval, divided by the total length of stay for the admission. In the case of institutional payments based on per diem payments, the reduction shall be taken only against the days of care provided without preauthorization approval. For care for which payment is on a per service basis, the reduction shall be taken only against the amount that relates to the services provided without preauthorization approval. Unless otherwise specifically provided under procedures issued by the Director, OCHAMPUS, the effective date of any preauthorization approval shall be the date on which a properly submitted request was received by the review organization designated for that purpose.

(C) The payment reduction set forth in paragraph (b)(4)(iii)(B) of this section may be waived by the Director, OCHAMPUS when the provider could not reasonably have been expected to know of the preauthorization requirement or some other special circumstance justifies the waiver.

(D) Services for which payment is disallowed under paragraph (b)(4)(iii) of this section may not be billed to the patient (or the patient's family).

(c) *Hospital cooperation.* All hospitals which participate in CHAMPUS and submit CHAMPUS claims are required to provide all information necessary for CHAMPUS to properly process the claims. In order for CHAMPUS to be assured that services for which claims are submitted meet quality of care standards, hospitals are required to provide the Peer Review Organization (PRO) responsible for quality review with all the information, within timeframes to be established by OCHAMPUS, necessary to perform the review functions required by this paragraph. Additionally, all participating hospitals shall provide CHAMPUS beneficiaries, upon admission, with information about the admission and quality review system including their appeal rights. A hospital which does not cooperate in this activity shall be subject to termination as a CHAMPUS-authorized provider.

(1) Documentation that the beneficiary has received the required information about the CHAMPUS PRO program must be maintained in the same manner as is the notice required for the Medicare program by 42 CFR 466.78(b).

(2) The physician attestation and physician acknowledgment required for Medicare under 42 CFR 412.40 and 412.46 are also required for CHAMPUS as a condition for payment and may be satisfied by the same statements as required for Medicare, with substitution or addition of ''CHAMPUS'' when the word ''Medicare'' is used.

(3) Participating hospitals must execute a memorandum of understanding with the PRO providing appropriate procedures for implementation of the PRO program.

(4) Participating hospitals may not charge a CHAMPUS beneficiary for inpatient hospital services excluded on the basis of § 199.4(g)(1) (not medically necessary), § 199.4(g)(3) (inappropriate level), or § 199.4(g)(7) (custodial care) unless all of the conditions established by 42 CFR 412.42(c) with respect to Medicare beneficiaries have been met with respect to the CHAMPUS beneficiary. In such cases in which the patient requests a PRO review while the patient is still an inpatient in the hospital, the hospital shall provide to the PRO the records required for the review by the close of business of the day the patient requests review, if such request was made before noon. If the hospital fails to provide the records by the close of business, that day and any subsequent working day during which the hospital continues to fail to provide the records shall not be counted for purposes of the two-day period of 42 CFR 412.42(c)(3)(ii).

(d) *Areas of review*—(1) *Admissions.* The following areas shall be subject to review to determine whether inpatient care was medically appropriate and necessary, was delivered in the most appropriate setting and met acceptable standards of quality. This review may include preadmission or prepayment review when appropriate.

(i) Transfers of CHAMPUS beneficiaries from a hospital or hospital unit subject to the CHAMPUS DRG-based payment system to another hospital or hospital unit.

(ii) CHAMPUS admissions to a hospital or hospital unit subject to the CHAMPUS DRG-based payment system which occur within a certain period (specified by OCHAMPUS) of discharge from a hospital or hospital unit subject to the CHAMPUS DRG-based payment system.

(iii) A random sample of other CHAMPUS admissions for each hospital subject to the CHAMPUS DRG-based payment system.

(iv) CHAMPUS admissions in any DRGs which have been specifically identified by OCHAMPUS for review or which are under review for any other reason.

(2) *DRG validation.* The review organization responsible for quality of care reviews shall be responsible for ensuring that the diagnostic and procedural information reported by hospitals on CHAMPUS claims which is used by the fiscal intermediary to assign claims to DRGs is correct and matches the information contained in the medical records. In order to accomplish this, the following review activities shall be done.

(i) Perform DRG validation reviews of each case under review.

(ii) Review of claim adjustments submitted by hospitals which result in the assignment of a higher weighted DRG.

(iii) Review for physician certification as to the major diagnoses and procedures and the physician's acknowledgment of annual receipt of the penalty statement as contained in the Medicare regulations at 42 CFR 412.40 and 412.46.

(iv) Review of a sample of claims for each hospital reimbursed under the CHAMPUS DRG-based payment system. Sample size shall be determined based upon the volume of claims submitted.

(3) *Outlier review.* Claims which qualify for additional payment as a long-stay outlier or as a cost-outlier shall be subject to review to ensure that the additional days or costs were medically necessary and appropriate and met all other requirements for CHAMPUS coverage. In addition, claims which qualify as short-stay outliers shall be reviewed to ensure that the admission was medically necessary and appropriate and that the discharge was not premature.

(4) *Procedure review.* Claims for procedures identified by OCHAMPUS as subject to a pattern of abuse shall be the subject of intensified quality assurance review.

(5) *Other review.* Any other cases or types of cases identified by OCHAMPUS shall be subject to focused review.

(e) *Actions as a result of review*—(1) *Findings related to individual claims.* If it is determined, based upon information obtained during reviews, that a hospital has misrepresented admission, discharge, or billing information, or is found to have quality of care defects, or has taken an action that results in the unnecessary admissions of an individual entitled to benefits, unnecessary

multiple admission of an individual, or other inappropriate medical or other practices with respect to beneficiaries or billing for services furnished to beneficiaries, the PRO, in conjunction with the fiscal intermediary, shall, as appropriate:

(i) Deny payment for or recoup (in whole or in part) any amount claimed or paid for the inpatient hospital and professional services related to such determination.

(ii) Require the hospital to take other corrective action necessary to prevent or correct the inappropriate practice.

(iii) Advise the provider and beneficiary of appeal rights, as required by § 199.10 of this part.

(iv) Notify OCHAMPUS of all such actions.

(2) *Findings related to a pattern of inappropriate practices.* In all cases where a pattern of inappropriate admissions and billing practices that have the effect of circumventing the CHAMPUS DRG-based payment system is identified, OCHAMPUS shall be notified of the hospital and practice involved.

(3) *Revision of coding relating to DRG validation.* The following provisions apply in connection with the DRG validation process set forth in paragraph (d)(2) of this section.

(i) If the diagnostic and procedural information attested to by the attending physician is found to be inconsistent with the hospital's coding or DRG assignment, the hospital's coding on the CHAMPUS claim will be appropriately changed and payments recalculated on the basis of the appropriate DRG assignment.

(ii) If the information attested to by the physician as stipulated under paragraph (e)(2) of this section is found not to be correct, the PRO will change the coding and assign the appropriate DRG on the basis of the changed coding.

(f) *Special procedures in connection with certain types of health care services or certain types of review activities*—(1) *In general.* Many provisions of this section are directed to the context of services covered by the CHAMPUS DRG-based payment system. This section, however, is also applicable to other services. In addition, many provisions of this section relate to the context of peer review activities performed by Peer Review Organizations whose sole functions for CHAMPUS relate to the Quality and Utilization Review Peer Review Organization program. However, it also applies to review activities conducted by contractors who have responsibilities broader than those related to the quality and utilization review program. Paragraph (f) of this section authorizes certain special procedures that will apply in connection with such services and such review activities.

(2) *Services not covered by the DRG-based payment system.* In implementing the quality and utilization review program in the context of services not covered by the DRG-based payment system, the Director, OCHAMPUS may establish procedures, appropriate to the types of services being reviewed, substantively comparable to services covered by the DRG-based payment system regarding obligations of providers to cooperate in the quality and utilization review program, authority to require appropriate corrective actions and other procedures. The Director, OCHAMPUS may also establish such special, substantively comparable procedures in connection with review of health care services which, although covered by the DRG-based payment method, are also affected by some other special circumstances concerning payment method, nature of care, or other potential utilization or quality issue.

(3) *Peer review activities by contractors also performing other administration or management functions*—(i) *Sole-function PRO versus multi-function PRO.* In all cases, peer review activities under the Quality and Utilization Review Peer Review Organization program are carried out by physicians and other qualified health care professionals, usually under contract with OCHAMPUS. In some cases, the Peer Review Organization contractor's only functions are pursuant to the quality and utilization review program. In paragraph (f)(3) of this section, this type of contractor is referred to as a ''sole function PRO.'' In other cases, the Peer Review Organization contractor is also performing other functions in connection with the administration and management of CHAMPUS. In paragraph (f)(3) of this

section, this type of contractor is referred to as a ''multi-function PRO.'' As an example of the latter type, managed care contractors may perform a wide range of functions regarding management of the delivery and financing of health care services under CHAMPUS, including but not limited to functions under the Quality and Utilization Review Peer Review Organization program.

(ii) *Special rules and procedures.* With respect to multi-function PROs, the Director, OCHAMPUS may establish special procedures to assure the independence of the Quality and Utilization Review Peer Review Organization program and otherwise advance the objectives of the program. These special rules and procedures include, but are not limited to, the following:

(A) A reconsidered determination that would be final in cases involving sole-function PROs under paragraph (i)(2) of this section will not be final in connection with multi-function PROs. Rather, in such cases (other than any case which is appealable under paragraph (i)(3) of this section), an opportunity for a second reconsideration shall be provided. The second reconsideration will be provided by OCHAMPUS or another contractor independent of the multi-function PRO that performed the review. The second reconsideration may not be further appealed by the provider.

(B) Procedures established by paragraphs (g) through (m) of this section shall not apply to any action of a multi-function PRO (or employee or other person or entity affiliated with the PRO) carried out in performance of functions other than functions under this section.

(g) *Procedures regarding initial determinations.* The CHAMPUS PROs shall establish and follow procedures for initial determinations that are substantively the same or comparable to the procedures applicable to Medicare under 42 CFR 466.83 to 466.104. In addition, these procedures shall provide that a PRO's determination that an admission is medically necessary is not a guarantee of payment by CHAMPUS; normal CHAMPUS benefit and procedural coverage requirements must also be applied.

(h) *Procedures regarding reconsiderations.* The CHAMPUS PROs shall establish and follow procedures for reconsiderations that are substantively the same or comparable to the procedures applicable to reconsiderations under Medicare pursuant to 42 CFR 473.15 to 473.34, except that the time limit for requesting reconsideration (see 42 CFR 473.20(a)(1)) shall be 90 days. A PRO reconsidered determination is final and binding upon all parties to the reconsideration except to the extent of any further appeal pursuant to paragraph (i) of this section.

(i) *Appeals and hearings.* (1) Beneficiaries may appeal a PRO reconsideration determination of OCHAMPUS and obtain a hearing on such appeal to the extent allowed and under the procedures set forth in § 199.10(d).

(2) Except as provided in paragraph (i)(3), a PRO reconsidered determination may not be further appealed by a provider.

(3) A provider may appeal a PRO reconsideration determination to OCHAMPUS and obtain a hearing on such appeal to the extent allowed under the procedures set forth in § 199.10(d) if it is a determination pursuant to § 199.4(h) that the provider knew or could reasonably have been expected to know that the services were excludable.

(4) For purposes of the hearing process, a PRO reconsidered determination shall be considered as the procedural equivalent of a formal review determination under § 199.10, unless revised at the initiative of the Director, OCHAMPUS prior to a hearing on the appeal, in which case the revised determination shall be considered as the procedural equivalent of a formal review determination under § 199.10.

(5) The provisions of § 199.10(e) concerning final action shall apply to hearings cases.

(j) *Acquisition, protection and disclosure of peer review information.* The provisions of 42 CFR part 476, except § 476.108, shall be applicable to the CHAMPUS PRO program as they are to the Medicare PRO program.

(k) *Limited immunity from liability for participants in PRO program.* The provisions of section 1157 of the Social Security Act (42 U.S.C. 1320c–6) are applicable to the CHAMPUS PRO program in the same manner as they apply to the Medicare PRO program. Section 1102(g) of title 10, United States Code also applies to the CHAMPUS PRO program.

(l) *Additional provision regarding confidentiality of records*—(1) *General rule.* The provisions of 10 U.S.C. 1102 regarding the confidentiality of medical quality assurance records shall apply to the activities of the CHAMPUS PRO program as they do to the activities of the external civilian PRO program that reviews medical care provided in military hospitals.

(2) *Specific applications.* (i) Records concerning PRO deliberations are generally nondisclosable quality assurance records under 10 U.S.C. 1102.

(ii) Initial denial determinations by PROs pursuant to pargraph (g) of this section (concerning medical necessity determinations, DRG validation actions, etc.) and subsequent decisions regarding those determinations are not nondisclosable quality assurance records under 10 U.S.C. 1102.

(iii) Information the subject of mandatory PRO disclosure under 42 CFR part 476 is not a nondisclosable quality assurance record under 10 U.S.C. 1102.

(m) *Obligations, sanctions and procedures.* (1) The provisions of 42 CFR 1004.1–1004.80 shall apply to the CHAMPUS PRO program as they do the Medicare PRO program, except that the functions specified in those sections for the Office of Inspector General of the Department of Health and Human Services shall be the responsibility of OCHAMPUS.

(2) The provisions of 42 U.S.C. section 1395ww(f)(2) concerning circumvention by any hospital of the applicable payment methods for inpatient services shall apply to CHAMPUS payment methods as they do to Medicare payment methods.

(3) The Director, or a designee, of CHAMPUS shall determine whether to impose a sanction pursuant to paragraphs (m)(1) and (m)(2) of this section. Providers may appeal adverse sanctions decisions under the procedures set forth in §199.10(d).

(n) *Authority to integrate CHAMPUS PRO and military medical treatment facility utilization review activities.* (1) In the case of a military medical treatment facility (MTF) that has established utilization review requirements similar to those under the CHAMPUS PRO program, the contractor carrying out this function may, at the request of the MTF, utilize procedures comparable to the CHAMPUS PRO program procedures to render determinations or recommendations with respect to utilization review requirements.

(2) In any case in which such a contractor has comparable responsibility and authority regarding utilization review in both an MTF (or MTFs) and CHAMPUS, determinations as to medical necessity in connection with services from an MTF or CHAMPUS-authorized provider may be consolidated.

(3) In any case in which an MTF reserves authority to separate an MTF determination on medical necessity from a CHAMPUS PRO program determination on medical necessity, the MTF determination is not binding on CHAMPUS.

[55 FR 625, Jan. 8, 1990, as amended at 58 FR 58961, Nov. 5, 1993; 60 FR 52095, Oct. 5, 1995]

§199.16 Supplemental Health Care Program for active duty members.

(a) *Purpose and applicability.* (1) The purpose of this section is to implement, with respect to health care services provided under the supplemental health care program for active duty members of the uniformed services, the provision of 10 U.S.C. 1074(c). This section of law authorizes DoD to establish for the supplemental care program the same payment rules, subject to appropriate modifications, as apply under CHAMPUS.

(2) This section applies to the program, known as the supplemental care program, which provides for the payment by the uniformed services to private sector health care providers for health care services provided to active duty members of the uniformed services. Although not part of CHAMPUS, the supplemental care program is similar to CHAMPUS in that it is a program for the uniformed services to purchase civilian health care services for active duty members. For this reason,

the Director, OCHAMPUS assists the uniformed services in the administration of the supplemental care program.

(3) This section applies to all health care services covered by the CHAMPUS. For purposes of this section, health care services ordered by a military treatment facility (MTF) provider for an MTF patient (who is not an active duty member) for whom the MTF provider maintains responsibility are also covered by the supplemental care program and subject to the requirements of this section.

(b) *Obligation of providers concerning payment for supplemental health care for active duty members*—(1) *Hospitals covered by DRG-based payment system.* For a hospital covered by the CHAMPUS DRG-based payment system to maintain its status as an authorized provider for CHAMPUS pursuant to § 199.6, that hospital must also be a participating provider for purposes of the supplemental care program. As a participating provider, each hospital must accept the DRG-based payment system amount determined pursuant to § 199.14 as payment in full for the hospital services covered by the system. The failure of any hospital to comply with this obligation subjects that hospital to exclusion as a CHAMPUS-authorized provider.

(2) *Other participating providers.* For any institutional or individual provider, other than those described in paragraph (b)(1) of this section that is a participating provider, the provider must also be a participating provider for purposes of the supplemental care program. The provider must accept the CHAMPUS allowable amount determined pursuant to § 199.14 as payment in full for the hospital services covered by the system. The failure of any provider to comply with this obligation subjects the provider to exclusion as a participating provider.

(c) *General rule for payment and administration.* Subject to the special rules and procedures in paragraph (d) of this section and the waiver authority in paragraph (e) of this section, as a general rule the provisions of § 199.14 shall govern payment and administration of claims under the supplemental care program as they do claims under CHAMPUS. To the extent necessary to interpret or implement the provisions of § 199.14, related provisions of this part shall also be applicable.

(d) *Special rules and procedures.* As exceptions to the general rule in paragraph (c) of this section, the special rules and procedures in this section shall govern payment and administration of claims under the supplemental care program. These special rules and procedures are subject to the waiver authority of paragraph (e) of this section.

(1) There is no patient cost sharing under the supplemental care program. All amounts due to be paid to the provider shall be paid by the program.

(2) Preauthorization by the uniformed services of each service, except for services in cases of medical emergency (for which the definition in § 199.2 shall apply), is required for the supplemental care program. It is the responsibility of the active duty members to obtain preauthorization for each service. With respect to each emergency inpatient admission, after such time as the emergency condition is addressed, authorization for any proposed continued stay must be obtained within two working days of admission.

(3) With respect to the filing of claims and similar administrative matters for which this part refers to activities of the CHAMPUS fiscal intermediaries, for purposes of the supplemental care program, responsibilities for claims processing, payment and some other administrative matters may be assigned by the Director, OCHAMPUS to the same fiscal intermediaries, other contractor, or to the nearest military medical treatment facility or medical claims office.

(4) The annual cost pass-throughs for capital and direct medical education costs that are available under the CHAMPUS DRG-based payment system are also available, upon request, under the supplemental care program. To obtain payment include the number of active duty bed days as a separate line item on the annual request to the CHAMPUS fiscal intermediaries.

(5) For providers other than participating providers, the Director, OCHAMPUS may authorize payment in excess of CHAMPUS allowable

amounts. No provider may bill an active duty member any amount in excess of the CHAMPUS allowable amount.

(e) *Waiver authority.* With the exception of statutory requirements, any restrictions or limitations pursuant to the general rule in paragraph (c) of this section, and special rules and procedures in paragraph (d) of this section, may be waived by the Director, OCHAMPUS, at the request of an authorized official of the uniformed service concerned, based on a determination that such waiver is necessary to assure adequate availability of health care services to active duty members.

(f) *Authorities.* (1) The Uniformed Services may establish additional procedures, consistent with this part, for the effective administration of the supplemental care program in their respective services.

(2) The Assistant Secretary of Defense for Health Affairs is responsible for the overall policy direction of the supplemental care program and the administration of this part.

(3) The Director, OCHAMPUS shall issue procedural requirements for the implementation of this section, including requirement for claims submission similar to those established by § 199.7.

[56 FR 23801, May 24, 1991, as amended at 58 FR 58963, Nov. 5, 1993]

§ 199.17 TRICARE program.

(a) *Establishment.* The TRICARE program is established for the purpose of implementing a comprehensive managed health care program for the delivery and financing of health care services in the MHSS.

(1) *Purpose.* The TRICARE program implements management improvements primarily through managed care support contracts that include special arrangements with civilian sector health care providers and better coordination between military medical treatment facilities (MTFs) and these civilian providers. Implementation of these management improvements includes adoption of special rules and procedures not ordinarily followed under CHAMPUS or MTF requirements. This section establishes those special rules and procedures.

(2) *Statutory authority.* Many of the provisions of this section are authorized by statutory authorities other than those which authorize the usual operation of the CHAMPUS program, especially 10 U.S.C. 1079 and 1086. The TRICARE program also relies upon other available statutory authorities, including 10 U.S.C. 1099 (health care enrollment system), 10 U.S.C. 1097 (contracts for medical care for retirees, dependents and survivors: alternative delivery of health care), and 10 U.S.C. 1096 (resource sharing agreements).

(3) *Scope of the program.* The TRICARE program is applicable to all of the uniformed services. Its geographical applicability is all 50 states and the District of Columbia, In addition, if authorized by the Assistant Secretary of Defense (Health Affairs), the TRICARE program may be implemented in areas outside the 50 states and the District of Columbia. In such cases, the Assistant Secretary of Defense (Health Affairs) may also authorize modifications to TRICARE program rules and procedures as may be appropriate to the area involved.

(4) *MTF rules and procedures affected.* Much of this section relates to rules and procedures applicable to the delivery and financing of health care services provided by civilian providers outside military treatment facilities. This section provides that certain rules, procedures, rights and obligations set forth elsewhere in this part (and usually applicable to CHAMPUS) are different under the TRICARE program. In addition, some rules, procedures, rights and obligations relating to health care services in military treatment facilities are also different under the TRICARE program. In such cases, provisions of this section take precedence and are binding.

(5) *Implementation based on local action.* The TRICARE program is not automatically implemented in all areas where it is potentially applicable. Therefore, provisions of this section are not automatically implemented, Rather, implementation of the TRICARE program and this section requires an official action by an authorized individual, such as a military medical treatment facility commander, a

Surgeon General, the Assistant Secretary of Defense (Health Affairs), or other person authorized by the Assistant Secretary. Public notice of the initiation of the TRICARE program will be achieved through appropriate communication and media methods and by way of an official announcement by the Director, OCHAMPUS, identifying the military medical treatment facility catchment area or other geographical area covered.

(6) *Major features of the TRICARE program.* The major features of the TRICARE program, described in this section, include the following:

(i) *Comprehensive enrollment system.* Under the TRICARE program, all health care beneficiaries become classified into one of five enrollment categories:

(A) Active duty members, all of whom are automatically enrolled in TRICARE Prime;

(B) TRICARE Prime enrollees, who (except for active duty members) must be CHAMPUS eligible;

(C) TRICARE Standard eligible beneficiaries, which covers all CHAMPUS-eligible beneficiaries who do not enroll in TRICARE Prime or another managed care program affiliated with TRICARE;

(D) Medicare-eligible beneficiaries, who, although not eligible for TRICARE Prime, may participate in many features of TRICARE; and

(E) Participants in other managed care program affiliated with TRICARE (when such affiliation arrangements are made).

(ii) *Establishment of a triple option benefit.* A second major feature of TRICARE is the establishment for CHAMPUS-eligible beneficiaries of three options for receiving health care:

(A) Beneficiaries may enroll in the ''TRICARE Prime Plan,'' which features use of military treatment facilities and substantially reduced out-of-pocket costs for CHAMPUS care. Beneficiaries generally agree to use military treatment facilities and designated civilian provider networks, in accordance with enrollment provisions.

(B) Beneficiaries may participate in the ''TRICARE Extra Plan'' under which the preferred provider network may be used on a case-by-case basis, with somewhat reduced out-of-pocket costs. These beneficiaries also continue to be eligible for military medical treatment facility care on a space-available basis.

(C) Beneficiaries may remain in the ''TRICARE Standard Plan,'' which preserves broad freedom of choice of civilian providers (subject to nonavailability statement requirements of § 199.4), but does not offer reduced out-of-pocket costs. These beneficiaries continue to be eligible to receive care in military medical treatment facilities on a space-available basis.

(iii) *Coordination between military and civilian health care delivery systems.* A third major feature of the TRICARE program is a series of activities affecting all beneficiary enrollment categories, designed to coordinate care between military and civilian health care systems. These activities include:

(A) Resource sharing agreements, under which a TRICARE contractor provides to a military medical treatment facility, personnel and other resources to increase the availability of services in the facility. All beneficiary enrollment categories may benefit from this increase.

(B) Health care finder, an administrative activity that facilitates referrals to appropriate health care services in the military facility and civilian provider network. All beneficiary enrollment categories may use the health care finder.

(C) Integrated quality and utilization management services, potentially standardizing reviews for military and civilian sector providers. All beneficiary categories may benefit from these services.

(D) Special pharmacy programs for areas affected by base realignment and closure actions. This includes special eligibility for Medicare-eligible beneficiaries.

(iv) *Consolidated schedule of charges.* A fourth major feature of TRICARE is a consolidated schedule of charges, incorporating revisions that reduce differences in charges between military and civilian services. In general, the TRICARE program reduces out-of-pocket costs for civilian sector care.

(7) *Preemption of State laws.* (i) Pursuant to 10 U.S.C. 1103 and section 8025

(fourth proviso) of the Department of Defense Appropriations Act, 1994, the Department of Defense has determined that in the administration of 10 U.S.C. chapter 55, preemption of State and local laws relating to health insurance, prepaid health plans, or other health care delivery or financing methods is necessary to achieve important Federal interests, including but not limited to the assurance of uniform national health programs for military families and the operation of such programs at the lowest possible cost to the Department of Defense, that have a direct and substantial effect on the conduct of military affairs and national security policy of the United States.

(ii) Based on the determination set forth in paragraph (a)(7)(i) of this section, any State or local law relating to health insurance, prepaid health plans, or other health care delivery or financing methods is preempted and does not apply in connection with TRICARE regional contracts. Any such law, or regulation pursuant to such law, is without any force or effect, and State or local governments have no legal authority to enforce them in relation to the TRICARE regional contracts. (However, the Department of Defense may by contract establish legal obligations of the part of TRICARE contractors to conform with requirements similar or identical to requirements of State or local laws or regulations).

(iii) The preemption of State and local laws set forth in paragraph (a)(7)(ii) of this section includes State and local laws imposing premium taxes on health or dental insurance carriers or underwriters or other plan managers, or similar taxes on such entities. Such laws are laws relating to health insurance, prepaid health plans, or other health care delivery or financing methods, within the meaning of the statutes identified in paragraph (a)(7)(i) of this section. Preemption, however, does not apply to taxes, fees, or other payments on net income or profit realized by such entities in the conduct of business relating to DoD health services contracts, if those taxes, fees or other payments are applicable to a broad range of business activity. For purposes of assessing the effect of Federal preemption of State and local taxes and fees in connection with DoD health and dental services contracts, interpretations shall be consistent with those applicable to the Federal Employees Health Benefits Program under 5 U.S.C. 8909(f).

(b) *Triple option benefit in general.* Where the TRICARE program is implemented, CHAMPUS-eligible beneficiaries are given the options of enrolling in the TRICARE Prime Plan (also referred to as ''Prime''); being a participant in TRICARE Extra on a case-by-case basis (also referred to as ''Extra''); or remaining in the TRICARE Standard Plan (also referred to as ''Standard'').

(1) *Choice voluntary.* With the exception of active duty members, the choice of whether to enroll in Prime, to participate in Extra, or to remain in Standard is voluntary for all eligible beneficiaries. This applies to active duty dependents and eligible retired members, dependents of retired members, and survivors. For dependents who are minors, the choice will be exercised by a parent or guardian.

(2) *Active duty members.* For active duty members located in areas where the TRICARE program is implemented, enrollment in Prime is mandatory.

(c) *Eligibility for enrollment in Prime.* Where the TRICARE program is implemented, all CHAMPUS- eligible beneficiaries are eligible to enroll. However, some rules and procedures are different for dependents of active duty members than they are for retirees, their dependents and survivors. In addition, where the TRICARE program is implemented, a military medical treatment facility commander or other authorized individual may establish priorities, consistent with paragraph (c) of this section, based on availability or other operational requirements, for when and whether to offer the enrollment opportunity.

(1) *Active duty members.* Active duty members are required to enroll in Prime when it is offered. Active duty members shall have first priority for enrollment in Prime. Because active duty members are not CHAMPUS eligible, when active duty members obtain care from civilian providers outside the military medical treatment facility,

the supplemental care program and its requirements (including § 199.16) will apply.

(2) *Dependents of active duty members.* (i) Dependents of active duty members are eligible to enroll in Prime. After all active duty members, dependents of active duty members will have second priority for enrollment.

(ii) If all dependents of active duty members within the area concerned cannot be accepted for enrollment in Prime at the same time, the MTF Commander (or other authorized individual) may establish priorities within this beneficiary group category. The priorities may be based on first-come, first-served, or alternatively, be based on rank of sponsor, beginning with the lowest pay grade.

(3) *Retired member, dependents of retired members, and survivors.* (i) All CHAMPUS-eligible retired members, dependents of retired members, and survivors are eligible to enroll in Prime. After all active duty members are enrolled and availability of enrollment is assured for all active duty dependents wishing to enroll, this category of beneficiaries will have third priority for enrollment.

(ii) If all CHAMPUS-eligible retired members, dependents of retired members, and survivors within the area concerned cannot be accepted for enrollment in Prime at the same time, the MTF Commander (or other authorized individual) may allow enrollment within this beneficiary group category on a first come, first served basis.

(4) *Participation in extra and standard.* All CHAMPUS-eligible beneficiaries who do not enroll in Prime may participate in Extra on a case-by-case basis or remain in Standard.

(d) *Health benefits under Prime.* Health benefits under Prime, set forth in paragraph (d) of this section, differ from those under Extra and Standard, set forth in paragraphs (e) and (f) of this section.

(1) *Military treatment facility (MTF) care.*—(i) *In general.* All participants in Prime are eligible to receive care in military treatment facilities. Participants in Prime will be given priority for such care over other beneficiaries. Among the following beneficiary groups, access priority for care in military treatment facilities where TRICARE is implemented as follows:

(A) Active duty service members;

(B) Active duty service members' dependents and survivors of service members who died on active duty, who are enrolled in TRICARE Prime;

(C) Retirees, their dependents and survivors, who are enrolled in TRICARE Prime;

(D) Active duty service members' dependents and survivors of service members who died on active duty, who are not enrolled in TRICARE Prime; and

(E) Retirees, their dependents and survivors who are not enrolled in TRICARE Prime. For purposes of this paragraph (d)(1), survivors of members who died while on active duty are considered as among dependents of active duty service members.

(ii) *Special provisions.* Enrollment in Prime does not affect access priority for care in military treatment facilities for several miscellaneous beneficiary groups and special circumstances. Those include Secretarial designees, NATO and other foreign military personnel and dependents authorized care through international agreements, civilian employees under workers' compensation programs or under safety programs, members on the Temporary Disability Retired List (for statutorily required periodic medical examinations), members of the reserve components not on active duty (for covered medical services), military prisoners, active duty dependents unable to enroll in Prime and temporarily away from place of residence, and others as designated by the Assistant Secretary of Defense (Health Affairs). Additional exceptions to the normal Prime enrollment access priority rules may be granted for other categories of individuals, eligible for treatment in the MTF, whose access to care is necessary to provide an adequate clinical case mix to support graduate medical education programs or readiness-related medical skills sustainment activities, to the extent approved by the ASD(HA).

(2) *Non-MTF care for active duty members.* Under Prime, non-MTF care needed by active duty members continues to be arranged under the supplemental care program and subject to the rules

and procedures of that program, including those set forth in § 199.16.

(3) *Benefits covered for CHAMPUS eligible beneficiaries for civilian sector care.* The provisions of § 199.18 regarding the Uniform HMO Benefit apply to TRICARE Prime enrollees.

(e) *Health benefits under the TRICARE extra plan.* Beneficiaries not enrolled in Prime, although not in general required to use the Prime civilian preferred provider network, are eligible to use the network on a case-by-case basis under Extra. The health benefits under Extra are identical to those under Standard, set forth in paragraph (f) of this section, except that the CHAMPUS cost sharing percentages are lower than usual CHAMPUS cost sharing. The lower requirements are set forth in the consolidated schedule of charges in paragraph (m) of this section.

(f) *Health benefits under the TRICARE standard plan.* Where the TRICARE program is implemented, health benefits under Prime, set forth under paragraph (d) of this section, and Extra, set forth under paragraph (e) of this section, are different than health benefits under Standard, set forth in this paragraph (f).

(1) *Military treatment facility (MTF) care.* All nonenrollees (including beneficiaries not eligible to enroll) continue to be eligible to receive care in military treatment facilities on a space available basis.

(2) *Freedom of choice of civilian provider.* Except as stated in § 199.4(a) in connection with nonavailability statement requirements, CHAMPUS-eligible participants in Standard maintain their freedom of choice of civilian provider under CHAMPUS. All nonavailability statement requirements of § 199.4(a) apply to Standard participants.

(3) *CHAMPUS benefits apply.* The benefits, rules and procedures of the CHAMPUS basis program as set forth in this part, shall apply to CHAMPUS-eligible participants in Standard.

(4) *Preferred provider network option for standard participants.* Standard participants, although not generally required to use the TRICARE program preferred provider network are eligible to use the network on a case-by-case basis, under Extra.

(g) *Coordination with other health care programs.* [Reserved]

(h) *Resource sharing agreements.* Under the TRICARE program, any military medical treatment facility (MTF) commander may establish resource sharing agreements with the applicable managed care support contractor for the purpose of providing for the sharing of resources between the two parties. Internal resource sharing and external resource sharing agreements are authorized. The provisions of this paragraph (h) shall apply to resource sharing agreements under the TRICARE program.

(1) In connection with internal resource sharing agreements, beneficiary cost sharing requirements shall be the same as those applicable to health care services provided in facilities of the uniformed services.

(2) Under internal resource sharing agreements, the double coverage requirements of § 199.8 shall be replaced by the Third Party Collection procedures of 32 CFR part 220, to the extent permissible under such part. In such a case, payments made to a resource sharing agreement provider through the TRICARE managed care support contractor shall be deemed to be payments by the MTF concerned.

(3) Under internal or external resource sharing agreements, the commander of the MTF concerned may authorize the provision of services, pursuant to the agreement, to Medicare-eligible beneficiaries, if such services are not reimbursable by Medicare, and if the commander determines that this will promote the most cost-effective provision of services under the TRICARE program.

(i) *Health care finder.* The Health Care Finder is an administrative activity that assists beneficiaries in being referred to appropriate health care providers, especially the MTF and preferred providers. Health Care Finder services are available to all beneficiaries. In the case of TRICARE Prime enrollees, the Health Care Finder will facilitate referrals in accordance with Prime rules and procedures. For Standard participants, the Finder will provide assistance for use of Extra.

For Medicare-eligible beneficiaries, the Finder will facilitate referrals to TRICARE network providers, generally required to be Medicare participating providers. For participants in other managed care programs, the Finder will assist in referrals pursuant to the arrangements made with the other managed care program. For all beneficiary enrollment categories, the finder will assist in obtaining access to available services in the medical treatment facility.

(j) *General quality assurance, utilization review, and preauthorization requirements under TRICARE program.* All quality assurance, utilization review, and preauthorization requirements for the basic CHAMPUS program, as set forth in this part 199 (see especially applicable provisions of §§ 199.4 and 199.15), are applicable to Prime, Extra and Standard under the TRICARE program. Under all three options, some methods and procedures for implementing and enforcing these requirements may differ from the methods and procedures followed under the basic CHAMPUS program in areas in which the TRICARE program has not been implemented. Pursuant to an agreement between a military medical treatment facility and TRICARE managed care support contractor, quality assurance, utilization review, and preauthorization requirements and procedures applicable to health care services outside the military medical treatment facility may be made applicable, in whole or in part, to health care services inside the military medical treatment facility.

(k) *Pharmacy services, including special services in base realignment and closure sites*—(1) *In general.* TRICARE includes two special programs under which covered beneficiaries, including Medicare-eligible beneficiaries, who live in areas adversely affected by base realignment and closure actions are given a pharmacy benefit for prescription drugs provided outside military treatment facilities. The two special programs are the retail pharmacy network program and the mail service pharmacy program.

(2) *Retail pharmacy network program.* To the maximum extent practicable, a retail pharmacy network program will be included in the TRICARE program wherever implemented. Except for the special rules applicable to Medicare-eligible beneficiaries in areas adversely affected by military medical treatment facility closures, the retail pharmacy network program will function in accordance with TRICARE rules and procedures otherwise applicable. In addition, a retail pharmacy network program may, on a temporary, transitional basis, be established in a base realignment or closure site independent of other features of the TRICARE program. Such a program may be established through arrangements with one or more pharmacies in the area and may continue until a managed care program is established to serve the affected beneficiaries.

(3) *Mail service pharmacy program.* A mail service pharmacy program will be established to the extent required by law as part of the TRICARE program. The special rules applicable to Medicare-eligible beneficiaries established in this paragraph (k) shall be applicable.

(4) *Medicare-eligible beneficiaries in areas adversely affected by military medical treatment facility closures.* Under the retail pharmacy network program and mail service pharmacy program, there is a special eligibility rule pertaining to Medicare-eligible beneficiaries in areas adversely affected by military medical treatment facility closures.

(i) *Medicare-eligible beneficiaries.* The special eligibility rule pertains to military system beneficiaries who are not eligible for CHAMPUS solely because of their eligibility for part A of Medicare.

(ii) *Area adversely affected by closure.* To be eligible for use of the retail pharmacy network program or mail service pharmacy program based on residency, a Medicare-eligible beneficiary must maintain a principal place of residency in the catchment area of the MTF that closed. In addition, there must be a retail pharmacy network or mail service pharmacy established in that area. In identifying areas adversely affected by a closure, the provisions of this paragraph (k)(4)(ii) shall apply.

(A) In the case of the closure of a military hospital, the area adversely affected is the established 40-mile

catchment area of the military hospital that closed.

(B) In the case of the closure of a military clinic (a military medical treatment facility that provided no inpatient care services), the area adversely affected is an area approximately 40 miles in radius from the clinic, established in a manner comparable to the manner in which catchment areas of military hospitals are established. However, this area will not be considered adversely affected by the closure of the clinic if the Director, OCHAMPUS determines that the clinic was not, when it had been in regular operation, providing a substantial amount of pharmacy services to retirees, their dependents, and survivors.

(iii) *Other Medicare-eligible beneficiaries adversely affected.* In addition to beneficiaries identified in paragraph (k)(4)(ii) of this section, eligibility for the retail pharmacy network program and mail service pharmacy program is also established for any Medicare-eligible beneficiary who can demonstrate to the satisfaction of the Director, OCHAMPUS, that he or she relied upon an MTF that closed for his or her pharmaceuticals. Medicare beneficiaries who obtained pharmacy services at the facility that closed within the 12-month period prior to its closure will be deemed to be reliant on the facility. Validation that any such beneficiary obtained such services may be provided through records of the facility or by a written declaration of the beneficiary. Beneficiaries providing such a declaration are required to provide correct information. Intentionally providing false information or otherwise failing to satisfy this obligation is grounds for disqualification for health care services from facilities of the uniformed services and mandatory reimbursement for the cost of any pharmaceuticals provided based on the improper declaration.

(iv) *Effective date of eligibility for Medicare-eligible beneficiaries.* In any case in which, prior to the complete closure of a military medical treatment facility which is in the process of closure, the Director, OCHAMPUS, determines that the area has been adversely affected by severe reductions in access to services, the Director, OCHAMPUS may establish an effective date for eligibility for the retail pharmacy network program or mail service pharmacy program for Medicare-eligible beneficiaries prior to the complete closure of the facility.

(5) *Effect of other health insurance.* The double coverage rules of § 199.8 are applicable to services provided to all beneficiaries under the retail pharmacy network program or mail service pharmacy program. For this purpose, to the extent they provide a prescription drug benefit, Medicare supplemental insurance plans or Medicare HMO plans are double coverage plans and will be the primary payor.

(6) *Procedures.* The Director, OCHAMPUS shall establish procedures for the effective operation of the retail pharmacy network program and mail service pharmacy program. Such procedures may include the use of appropriate drug formularies, restrictions of the quantity of pharmaceuticals to be dispensed, encouragement of the use of generic drugs, implementation of quality assurance and utilization management activities, and other appropriate matters.

(l) *PRIMUS and NAVCARE clinics*—(1) *Description and authority.* PRIMUS and NAVCARE clinics are contractor owned, staffed, and operated clinics that exclusively serve uniformed services beneficiaries. They are authorized as transitional entities during the phase-in of TRICARE. This authority to operate a PRIMUS or NAVCARE clinic will cease upon implementation of TRICARE in the clinic's location, or on October 1, 1997, whichever is later.

(2) *Eligible beneficiaries.* All TRICARE beneficiary categories are eligible for care in PRIMUS and NAVCARE Clinics. This includes active duty members, Medicare-eligible beneficiaries and other MHSS-eligible persons not eligible for CHAMPUS.

(3) *Services and charges.* For care provided PRIMUS and NAVCARE Clinics, CHAMPUS rules regarding program benefits, deductibles and cost sharing requirements do not apply. Services offered and charges will be based on those applicable to care provided in military medical treatment facilities.

(4) *Priority access.* Access to care in PRIMUS and NAVCARE Clinics shall

be based on the same order of priority as is established for military treatment facilities care under paragraph (d)(1) of this section.

(m) *Consolidated schedule of beneficiary charges.* The following consolidated schedule of beneficiary charges is applicable to health care services provided under TRICARE for Prime enrollees, Standard enrollees and Medicare-eligible beneficiaries. (There are no charges to active duty members. Charges for participants in other managed health care programs affiliated with TRICARE will be specified in the applicable affiliation agreements.)

(1) *Cost sharing for services from TRICARE network providers.* (i) For Prime enrollees, cost sharing is as specified in the Uniform HMO Benefit in § 199.18, except that for care not authorized by the primary care manager or Health Care Finder, rules applicable to the TRICARE point of service option (see paragraph (n)(3) of this section) are applicable. For such unauthorized care, the deductible is $300 per person and $600 per family. The beneficiary cost share is 50 percent of the allowable charges for inpatient and outpatient care, after the deductible.

(ii) For Standard enrollees, TRICARE Extra cost sharing applies. The deductible is the same as standard CHAMPUS. Cost shares are as follows:

(A) For outpatient professional services, cost sharing will be reduced from 20 percent to 15 percent for dependents of active duty members.

(B) For most services for retired members, dependents of retired members, and survivors, cost sharing is reduced from 25 percent to 20 percent.

(C) In fiscal year 1996, the per diem inpatient hospital copayment for retirees, dependents of retirees, and survivors when they use a preferred provider network hospital is $250 per day, or 25 percent of total charges, whichever is less. There is a nominal copayment for active duty dependents, which is the same as under the CHAMPUS program (see § 199.4). The per diem amount may be updated for subsequent years based on changes in the standard CHAMPUS per diem.

(iii) For Medicare-eligible beneficiaries, cost sharing will generally be as applicable to Medicare participating providers.

(2) *Cost sharing for non-network providers.* (i) For TRICARE Prime enrollees, rules applicable to the TRICARE point of service option (see paragraph (n)(3) of this section) are applicable. The deductible is $300 per person and $600 per family. The beneficiary cost share is 50 percent of the allowable charges, after the deductible.

(ii) For Standard enrollees, cost sharing is as specified for the basic CHAMPUS program.

(iii) For Medicare eligible beneficiaries, cost sharing is as provided under the Medicare program.

(3) *Cost sharing under internal resource sharing agreements.* (i) For Prime enrollees, cost sharing is as provided in military treatment facilities.

(ii) For Standard enrollees, cost sharing is as provided in military treatment facilities.

(iii) For Medicare eligible beneficiaries, where made applicable by the commander of the *military medical treatment facility* concerned, cost sharing will be as provided in military treatment facilities.

(4) *Cost sharing under external resource sharing.* (i) For Prime enrollees, cost sharing applicable to services provided by military facility personnel shall be as applicable to services in military treatment facilities; that applicable to institutional and related ancillary charges shall be as applicable to services provided under TRICARE Prime.

(ii) For TRICARE Standard participants, cost sharing applicable to services provided by military facility personnel shall be as applicable to services in military treatment facilities; that applicable to non-military providers, including institutional and related ancillary charges, shall be as applicable to services provided under TRICARE Extra.

(iii) For Medicare-eligible beneficiaries, where available, cost sharing applicable to services provided by military facility personnel shall be as applicable to services in military treatment facilities; that applicable to non-military providers, including institutional and related ancillary charges shall be as applicable to services provided under Medicare.

(5) *Prescription drugs.* (i) For Prime enrollees, cost sharing is as specified in the Uniform HMO Benefit, except that the copayment under the mail service pharmacy program is $4.00 for active duty dependents and $8.00 for all other covered beneficiaries, per prescription, for up to a 90 day supply.

(ii) For Standard participants, there is a 15 percent cost share for active-duty dependents and a 20 percent cost share for retirees, their dependents and survivors for prescription drugs provided by retail pharmacy network providers; for prescription drugs obtained from network pharmacies, the CHAMPUS deductible will not apply. The copayment for all beneficiaries under the mail service pharmacy program is $4.00 for active duty dependents and $8.00 for all other covered beneficiaries, per prescription, for up to a 90 day supply. There is no deductible for this program.

(iii) For Medicare-eligible beneficiaries affected by military medical treatment facility closures, there is a 20 percent copayment for prescriptions provided under the retail pharmacy network program, and an $8.00 copayment per prescription, for up to a 90-day supply, for prescriptions provided by the mail service pharmacy program. There is no deductible under either program.

(6) *Cost share for outpatient services in military treatment facilities.* (i) For dependents of active duty members in all enrollment categories, there is no charge for outpatient visits provided in military medical treatment facilities.

(ii) For retirees, their dependents, and survivors in all enrollment categories, there is no charge for outpatient visits provided in military medical treatment facilities.

(n) *Additional health care management requirements under TRICARE prime.* Prime has additional, special health care management requirements not applicable under Extra, Standard or the CHAMPUS basic program. Such requirements must be approved by the Assistant Secretary of Defense (Health Affairs). In TRICARE, all care may be subject to review for medical necessity and appropriateness of level of care, regardless of whether the care is provided in a military medical treatment facility or in a civilian setting. Adverse determinations regarding care in military facilities will be appealable in accordance with established military medical department procedures, and adverse determinations regarding civilian care will be appealable in accordance with § 199.15.

(1) *Primary care manager.* All active duty members and Prime enrollees will be assigned or be allowed to select a primary care manager pursuant to a system established by the MTF Commander or other authorized official. The primary care manager may be an individual physician, a group practice, a clinic, a treatment site, or other designation. The primary care manager may be part of the MTF or the Prime civilian provider network. The enrollees will be given the opportunity to register a preference for primary care manager from a list of choices provided by the MTF Commander. Preference requests will be honored, subject to availability, under the MTF beneficiary category priority system and other operational requirements established by the commander (or other authorized person).

(2) *Restrictions on the use of providers.* The requirements of this paragraph (n)(2) shall be applicable to health care utilization under TRICARE Prime, except in cases of emergency care and under the point-of-service option (see paragraph (n)(3) of this section).

(i) Prime enrollees must obtain all primary health care from the primary care manager or from another provider to which the enrollee is referred by the primary care manager or an authorized Health Care Finder.

(ii) For any necessary specialty care and all inpatient care, the primary care manager or the Health Care Finder will assist in making an appropriate referral. All such nonemergency specialty care and inpatient care must be preauthorized by the primary care manager or the Health Care Finder.

(iii) The following procedures will apply to health care referrals and preauthorizations in catchment areas under TRICARE Prime:

(A) The first priority for referral for specialty care or inpatient care will be to the local MTF (or to any other MTF

in which catchment area the enrollee resides).

(B) If the local MTF(s) are unavailable for the services needed, but there is another MTF at which the needed services can be provided, the enrollee may be required to obtain the services at that MTF. However, this requirement will only apply to the extent that the enrollee was informed at the time of (or prior to) enrollment that mandatory referrals might be made to the MTF involved for the service involved.

(C) If the needed services are available within civilian preferred provider network serving the area, the enrollee may be required to obtain the services from a provider within the network. Subject to availability, the enrollee will have the freedom to choose a provider from among those in the network.

(D) If the needed services are not available within the civilian preferred provider network serving the area, the enrollee may be required to obtain the services from a designated civilian provider outside the area. However, this requirement will only apply to the extent that the enrollee was informed at the time of (or prior to) enrollment that mandatory referrals might be made to the provider involved for the service involved (with the provider and service either identified specifically or in connection with some appropriate classification).

(E) In cases in which the needed health care services cannot be provided pursuant to the procedures identified in paragraphs (n)(2)(iii) (A) through (D) of this section, the enrollee will receive authorization to obtain services from a CHAMPUS-authorized civilian provider(s) of the enrollee's choice not affiliated with the civilian preferred provider network.

(iv) When Prime is operating in noncatchment areas, the requirements in paragraphs (n)(2)(iii) (B) through (E) of this section shall apply.

(v) Any health care services obtained by a Prime enrollee, but not obtained in accordance with the utilization management rules and procedures of Prime will not be paid for under Prime rules, but may be covered by the point-of-service option (see paragraph (n)(3) of this section). However, Prime rules may cover such services if the enrollee did not know and could not reasonably have been expected to know that the services were not obtained in accordance with the utilization management rules and procedures of Prime.

(3) *Point-of-service option.* TRICARE Prime enrollees retain the freedom to obtain services from civilian providers on a point-of-service basis. In such cases, all requirements applicable to standard CHAMPUS shall apply, except that there shall be higher deductible and cost sharing requirements (as set forth in paragraphs (m)(1)(i) and (m)(2)(i) of this section).

(o) *TRICARE program enrollment procedures.* There are certain requirements pertaining to procedures for enrollment in Prime. (These procedures do not apply to active duty members, whose enrollment is mandatory.)

(1) *Open enrollment.* Beneficiaries will be offered the opportunity to enroll in Prime on a continuing basis.

(2) *Enrollment period.* The Prime enrollment period shall be 12 months. Enrollees must remain in Prime for a 12 month period, at which time they may disenroll. This requirement is subject to exceptions for change of residence and other changes announced at the time the TRICARE program is implemented in a particular area.

(3) *Quarterly installment payments of enrollment fee.* The enrollment fee required by § 199.18(c) may be paid in quarterly installments, each equal to one-fourth of the total amount. For any beneficiary paying his or her enrollment fee in quarterly installments, failure to make a required installment payment on a timely basis (including a grace period, as determined by the Director, OCHAMPUS) will result in termination of the beneficiary's enrollment in Prime and disqualification from future enrollment in Prime for a period of one year. If enrollment in TRICARE Prime is terminated for failure to make a required installment payment, services received after the due date of the installment payment will be cost shared under TRICARE Extra.

(4) *Period revision.* Periodically, certain features, rules or procedures of Prime, Extra and/or Standard may be revised. If such revisions will have a

significant effect on participants' costs or access to care, beneficiaries will be given the opportunity to change their enrollment status coincident with the revisions.

(5) *Effects of failure to enroll.* Beneficiaries offered the opportunity to enroll in Prime, who do not enroll, will remain in Standard and will be eligible to participate in Extra on a case-by-case basis.

(p) *Civilian preferred provider networks.* A major feature of the TRICARE program is the civilian preferred provider network.

(1) *Status of network providers.* Providers in the preferred provider network are not employees or agents of the Department of Defense or the United States Government. Rather, they are independent contractors of the government (or other independent entities having business arrangements with the government). Although network providers must follow numerous rules and procedures of the TRICARE program, on matters of professional judgment and professional practice, the network provider is independent and not operating under the direction and control of the Department of Defense. Each preferred provider must have adequate professional liability insurance, as required by the Federal Acquisition Regulation, and must agree to indemnify the United States Government for any liability that may be assessed against the United States Government that is attributable to any action or omission of the provider.

(2) *Utilization management policies.* Preferred providers are required to follow the utilization management policies and procedures of the TRICARE program. These policies and procedures are part of discretionary judgments by the Department of Defense regarding the methods of delivering and financing health care services that will best achieve health and economic policy objectives.

(3) *Quality assurance requirements.* A number of quality assurance requirements and procedures are applicable to preferred network providers. These are for the purpose of assuring that the health care services paid for with government funds meet the standards called for in the contract or provider agreement.

(4) *Provider qualifications.* All preferred providers must meet the following qualifications:

(i) They must be CHAMPUS authorized providers and CHAMPUS participating providers.

(ii) All physicians in the preferred provider network must have staff privileges in a hospital accredited by the Joint Commission on Accreditation of Health Care Organizations (JCAHO). This requirement may be waived in any case in which a physician's practice does not include the need for admitting privileges in such a hospital, or in locations where no JCAHO accredited facility exists. However, in any case in which the requirement is waived, the physician must comply with alternative qualification standards as are established by the MTF Commander (or other authorized official).

(iii) All preferred providers must agree to follow all quality assurance, utilization management, and patient referral procedures established pursuant to this section, to make available to designated DoD utilization management or quality monitoring contractors medical records and other pertinent records, and to authorize the release of information to MTF Commanders regarding such quality assurance and utilization management activities.

(iv) All preferred network providers must be Medicare participating providers, unless this requirement is waived based on extraordinary circumstances. This requirement that a provider be a Medicare participating provider does not apply to providers not eligible to be participating providers under Medicare.

(v) The provider must be available to Extra participants.

(vi) The provider must agree to accept the same payment rates negotiated for Prime enrollees for any person whose care is reimbursable by the Department of Defense, including, for example, Extra participants, supplemental care cases, and beneficiaries from outside the area.

(vii) All preferred providers must meet all other qualification requirements, and agree to comply with all

other rules and procedures established for the preferred provider network.

(5) *Access standards.* Preferred provider networks will have attributes of size, composition, mix of providers and geographical distribution so that the networks, coupled with the MTF capabilities, can adequately address the health care needs of the enrollees. Before offering enrollment in Prime to a beneficiary group, the MTF Commander (or other authorized person) will assure that the capabilities of the MTF plus preferred provider network will meet the following access standards with respect to the needs of the expected number of enrollees from the beneficiary group being offered enrollment:

(i) Under normal circumstances, enrollee travel time may not exceed 30 minutes from home to primary care delivery site unless a longer time is necessary because of the absence of providers (including providers not part of the network) in the area.

(ii) The wait time for an appointment for a well-patient visit or a specialty care referral shall not exceed four weeks; for a routine visit, the wait time for an appointment shall not exceed one week; and for an urgent care visit the wait time for an appointment shall generally not exceed 24 hours.

(iii) Emergency services shall be available and accessible to handle emergencies (and urgent care visits if not available from other primary care providers pursuant to paragraph (p)(5)(ii) of this section), within the service area 24 hours a day, seven days a week.

(iv) The network shall include a sufficient number and mix of board certified specialists to meet reasonably the anticipated needs of enrollees. Travel time for specialty care shall not exceed one hour under normal circumstances, unless a longer time is necessary because of the absence of providers (including providers not part of the network) in the area. This requirement does not apply under the Specialized Treatment Services Program.

(v) Office waiting times in nonemergency circumstances shall not exceed 30 minutes, except when emergency care is being provided to patients, and the normal schedule is disrupted.

(6) *Special reimbursement methods for network providers.* The Director, OCHAMPUS, may establish, for preferred provider networks, reimbursement rates and methods different from those established pursuant to § 199.14. Such provisions may be expressed in terms of percentage discounts off CHAMPUS allowable amounts, or in other terms. In circumstances in which payments are based on hospital-specific rates (or other rates specific to particular institutional providers), special reimbursement methods may permit payments based on discounts off national or regional prevailing payment levels, even if higher than particular institution-specific payment rates.

(7) *Methods for establishing preferred provider networks.* There are several methods under which the MTF Commander (or other authorized official) may establish a preferred provider network. These include the following:

(i) There may be an acquisition under the Federal Acquisition Regulation, either conducted locally for that catchment area, in a larger area in concert with other MTF Commanders, regionally as part of a CHAMPUS acquisition, or on some other basis.

(ii) To the extent allowed by law, there may be a modification by the Director, OCHAMPUS, of an existing CHAMPUS fiscal intermediary contract to add TRICARE program functions to the existing responsibilities of the fiscal intermediary contractor.

(iii) The MTF Commander (or other authorized official) may follow the ''any qualified provider'' method set forth in paragraph (q) of this section.

(iv) Any other method authorized by law may be used.

(q) *Preferred provider network establishment under any qualified provider method.* The any qualified provider method may be used to establish a civilian preferred provider network. Under this method, any CHAMPUS-authorized provider within the geographical area involved that meets the qualification standards established by the MTF Commander (or other authorized

official) may become a part of the preferred provider network. Such standards must be publicly announced and uniformly applied. Also under this method, any provider who meets all applicable qualification standards may not be excluded from the preferred provider network. Qualifications include:

(1) The provider must meet all applicable requirements in paragraph (p)(4) of this section.

(2) The provider must agree to follow all quality assurance and utilization management procedures established pursuant to this section.

(3) The provider must be a Participating Provider under CHAMPUS for all claims.

(4) The provider must meet all other qualification requirements, and agree to all other rules and procedures, that are established, publicly announced, and uniformly applied by the commander (or other authorized official).

(5) The provider must sign a preferred provider network agreement covering all applicable requirements. Such agreements will be for a duration of one year, are renewable, and may be canceled by the provider or the MTF Commander (or other authorized official) upon appropriate notice to the other party. The Director, OCHAMPUS shall establish an agreement model or other guidelines to promote uniformity in the agreements.

(r) *General fraud, abuse, and conflict of interest requirements under TRICARE program.* All fraud, abuse, and conflict of interest requirements for the basic CHAMPUS program, as set forth in this part 199 (see especially applicable provisions of § 199.9) are applicable to the TRICARE program. Some methods and procedures for implementing and enforcing these requirements may differ from the methods and procedures followed under the basic CHAMPUS program in areas in which the TRICARE program has not been implemented.

(s) *Partial implementation.* The Assistant Secretary of Defense (Health Affairs) may authorize the partial implementation of the TRICARE program. The following are examples of partial implementation:

(1) The TRICARE Extra Plan and the TRICARE Standard Plan may be offered without the TRICARE Prime Plan.

(2) In remote sites, where complete implementation of TRICARE is impracticable, TRICARE Prime may be offered to a limited group of beneficiaries. In such cases, normal requirements of TRICARE Prime which the Assistant Secretary of Defense (Health Affairs) determines are impracticable may be waived.

(3) The TRICARE program may be limited to particular services, such as mental health services.

(t) *Inclusion of Department of Veterans Affairs Medical Centers in TRICARE networks.* TRICARE preferred provider networks may include Department of Veterans Affairs health facilities pursuant to arrangements, made with the approval of the Assistant Secretary of Defense (Health Affairs), between those centers and the Director, OCHAMPUS, or designated TRICARE contractor.

(u) *Care provided outside the United States to dependents of active duty members.* The Assistant Secretary of Defense (Health Affairs) may, in conjunction with implementation of the TRICARE program, authorize a special CHAMPUS program for dependents of active duty members who accompany the members in their assignments in foreign countries. Under this special program, a preferred provider network will be established through contracts or agreements with selected health care providers. Under the network, CHAMPUS covered services will be provided to the covered dependents with all CHAMPUS requirements for deductibles and copayments waived. The use of this authority by the Assistant Secretary of Defense (Health Affairs) for any particular geographical area will be announced in the FEDERAL REGISTER. The announcement will include a description of the preferred provider network program and other pertinent information.

(v) *Administrative procedures.* The Assistant Secretary of Defense (Health Affairs), the Director, OCHAMPUS, and MTF Commanders (or other authorized officials) are authorized to establish administrative requirements and procedures, consistent with this section,

this part, and other applicable DoD Directives or Instructions, for the implementation and operation of the TRICARE program.

[60 FR 52095, Oct. 5, 1995, as amended at 63 FR 9142, Feb. 24, 1998]

§ 199.18 Uniform HMO Benefit.

(a) *In general.* There is established a Uniform HMO Benefit. The purpose of the Uniform HMO benefit is to establish a health benefit option modeled on health maintenance organization plans. This benefit is intended to be uniform wherever offered throughout the United States and to be included in all managed care programs under the MHSS. Most care purchased from civilian health care providers (outside an MTF) will be under the rules of the Uniform HMO Benefit or the Basic CHAMPUS Program (see § 199.4). The Uniform HMO Benefit shall apply only as specified in this section or other sections of this part, and shall be subject to any special applications indicated in such other sections.

(b) *Services covered under the uniform HMO benefit option.* (1) Except as specifically provided or authorized by this section, all CHAMPUS benefits provided, and benefit limitations established, pursuant to this part, shall apply to the Uniform HMO Benefit.

(2) Certain preventive care services not normally provided as part of basic program benefits under CHAMPUS are covered benefits when provided to Prime enrollees by providers in the civilian provider network. Standards for preventive care services shall be developed based on guidelines from the U.S. Department of Health and Human Services. Such standards shall establish a specific schedule, including frequency or age specifications for:

(i) Laboratory and x-ray tests, including blood lead, rubella, cholesterol, fecal occult blood testing, and mammography;

(ii) Pap smears;

(iii) Eye exams;

(iv) Immunizations;

(v) Periodic health promotion and disease prevention exams;

(vi) Blood pressure screening;

(vii) Hearing exams;

(viii) Sigmoidoscopy or colonoscopy;

(ix) Serologic screening; and

(x) Appropriate education and counseling services. The exact services offered shall be established under uniform standards established by the Assistant Secretary of Defense (Health Affairs).

(3) In addition to preventive care services provided pursuant to paragraph (b)(2) of this section, other benefit enhancements may be added and other benefit restrictions may be waived or relaxed in connection with health care services provided to include the Uniform HMO Benefit. Any such other enhancements or changes must be approved by the Assistant Secretary of Defense (Health Affairs) based on uniform standards.

(c) *Enrollment fee under the uniform HMO benefit.* (1) The CHAMPUS annual deductible amount (see § 199.4(f)) is waived under the Uniform HMO Benefit during the period of enrollment. In lieu of a deductible amount, an annual enrollment fee is applicable. The specific enrollment fee requirements shall be published annually by the Assistant Secretary of Defense (Health Affairs), and shall be uniform within the following groups: dependents of active duty members in pay grades of E–4 and below; active duty dependents of sponsors in pay grades E–5 and above; and retirees and their dependents.

(2) *Amount of enrollment fees.* Beginning in fiscal year 1996, the annual enrollment fees are:

(i) for dependents of active duty members in pay grades of E–4 and below, $0;

(ii) for active duty dependents of sponsors in pay grades E–5 and above, $0; and

(iii) for retirees and their dependents, $230 individual, $460 family.

(3) *Waiver of enrollment fee for certain beneficiaries.* The Assistant Secretary of Defense (Health Affairs) may waive the enrollment fee requirements of this section for beneficiaries described in 10 U.S.C. 1086(d)(2) (i.e., those who are eligible for Medicare on the basis of disability or end stage renal disease and who maintain enrollment in Part B of Medicare).

(d) *Outpatient cost sharing requirements under the uniform HMO benefit*—(1) *In general.* In lieu of usual CHAMPUS cost sharing requirements

(see § 199.4(f)), special reduced cost sharing percentages or per service specific dollar amounts are required. The specific requirements shall be uniform and shall be published annually by the Assistant Secretary of Defense (Health Affairs).

(2) *Structure of outpatient cost sharing.* The special cost sharing requirements for outpatient services include the following specific structural provisions:

(i) For most physician office visits and other routine services, there is a per visit fee for each of the following groups: dependents of active duty members in pay grades E–1 through E–4; dependents of active duty members in pay grades of E–5 and above; and retirees and their dependents. This fee applies to primary care and specialty care visits, except as provided elsewhere in this paragraph (d)(2) of this section. It also applies to family health services, home health care visits, eye examinations, and immunizations. It does not apply to ancillary health services or to preventive health services described in paragraph (b)(2) of this section, or to maternity services under § 199.4(e)(16).

(ii) There is a copayment for outpatient mental health visits. It is a per visit fee for dependents of active duty members in pay grades E–1 through E–4; for dependents of active duty members in pay grades of E–5 and above; and for retirees and their dependents for individual visits. For group visits, there is a lower per visit fee for dependents of active duty members in pay grades E–1 through E–4; for dependents of active duty members in pay grades of E–5 and above; and for retirees and their dependents.

(iii) There is a cost share of durable medical equipment, prosthetic devices, and other authorized supplies for dependents of active duty members in pay grades E–1 through E–4; for dependents of active duty members in pay grades of E–5 and above; and for retirees and their dependents.

(iv) For emergency room services, there is a per visit fee for dependents of active duty members in pay grades E–1 through E–4; for dependents of active duty members in pay grades of E–5 and above; and for retirees and their dependents.

(v) For ambulatory surgery services, there is a per service fee for dependents of active duty members in pay grades E–1 through E–4; for dependents of active duty members in pay grades of E–5 and above; and for retirees and their dependents.

(vi) There is a copayment for prescription drugs per prescription, including medical supplies necessary for administration, for dependents of active duty members in pay grades E–1 through E–4; for dependents of active duty members in pay grades of E–5 and above; and for retirees and their dependents.

(vii) There is a copayment for ambulance services for dependents of active duty members in pay grades E–1 through E–4; for dependents of active duty members in pay grades of E–5 and above; and for retirees and their dependents.

(3) *Amount of outpatient cost sharing requirements.* Beginning in fiscal year 1996, the outpatient cost sharing requirements are as follows:

(i) For most physician office visits and other routine services, as described in paragraph (d)(2)(i) of this section, the per visit fee is as follows:

(A) For dependents of active duty members in pay grades E–1 through E–4, $6;

(B) For dependents of active duty members in pay grades of E–5 and above, $12; and

(C) For retirees and their dependents, $12.

(ii) For outpatient mental health visits, the per visit fee is as follows:

(A) For individual outpatient mental health visits:

(*1*) For dependents of active duty members in pay grades E–1 through E–4, $10;

(*2*) For dependents of active duty members in pay grades of E–5 and above, $20; and

(*3*) For retirees and their dependents, $25.

(B) For group outpatient mental health visits, there is a lower per visit fee, as follows:

(*1*) For dependents of active duty members in pay grades E–1 through E–4, $6;

(*2*) For dependents of active duty members in pay grades of E–5 and above, $12; and

(*3*) For retirees and their dependents, $17.

(iii) The cost share for durable medical equipment, prosthetic devices, and other authorized supplies is as follows:

(A) For dependents of active duty members in pay grades E–1 through E–4, 10 percent of the negotiated fee;

(B) For dependents of active duty members in pay grades of E–5 and above, 15 percent of the negotiated fee; and

(C) For retirees and their dependents, 20 percent of the negotiated fee.

(iv) For emergency room services, the per visit fee is as follows:

(A) For dependents of active duty members in pay grades E–1 through E–4, $10;

(B) For dependents of active duty members in pay grades of E–5 and above, $30; and

(C) For retirees and their dependents, $30.

(v) For primary surgeon services in ambulatory surgery, the per service fee is as follows:

(A) For dependents of active duty members in pay grades E–1 through E–4, $25;

(B) For dependents of active duty members in pay grades of E–5 and above, $25; and

(C) For retirees and their dependents, $25.

(vi) The copayment for each 30-day supply (or smaller quantity) of a prescription drug is as follows:

(A) For dependents of active duty members in pay grades E–1 through E–4, $5;

(B) For dependents of active duty members in pay grades of E–5 and above, $5; and

(C) For retirees and their dependents, $9.

(vii) The copayment for ambulance services is as follows:

(A) For dependents of active duty members in pay grades E–1 through E–4, $10;

(B) For dependents of active duty members in pay grades of E–5 and above, $15; and

(C) For retirees and their dependents, $20.

(e) *Inpatient cost sharing requirements under the uniform HMO benefit*—(1) *In general.* In lieu of usual CHAMPUS cost sharing requirements (see § 199.4(f)), special cost sharing amounts are required. The specific requirements shall be uniform and shall be published as a notice annually by the Assistant Secretary of Defense (Health Affairs).

(2) *Structure of cost sharing.* For services other than mental illness or substance use treatment, there is a nominal copayment for active duty dependents and for retired members, dependents of retired members, and survivors. For inpatient mental health and substance use treatment, a separate per day charge is established.

(3) *Amount of inpatient cost sharing requirements.* Beginning in fiscal year 1996, the inpatient cost sharing requirements are as follows:

(i) For acute care admissions and other non-mental health/substance use treatment admissions, the per diem charge is as follows, with a minimum charge of $25 per admission:

(A) For dependents of active duty members in pay grades E–1 through E–4, $11;

(B) For dependents of active duty members in pay grades of E–5 and above, $11; and

(C) For retirees and their dependents, $11.

(ii) For mental health/substance use treatment admissions, and for partial hospitalization services, the per diem charge is as follows, with a minimum charge of $25 per admission:

(A) For dependents of active duty members in pay grades E–1 through E–4, $20;

(B) For dependents of active duty members in pay grades of E–5 and above, $20; and

(C) For retirees and their dependents, $40.

(f) *Limit on out-of-pocket costs under the uniform HMO benefit.* (1) Total out-of-pocket costs per family of dependents of active duty members under the Uniform HMO Benefit may not exceed $1,000 during the one-year enrollment period. Total out-of-pocket costs per family of retired members, dependents of retired members and survivors under

the Uniform HMO Benefit may not exceed $3,000 during the one-year enrollment period. For this purpose, out-of-pocket costs means all payments required of beneficiaries under paragraphs (c), (d), and (e) of this section. In any case in which a family reaches this limit, all remaining payments that would have been required of the beneficiary under paragraphs (c), (d), and (e) of this section will be made by the program in which the Uniform HMO Benefit is in effect.

(2) The limits established by paragraph (f)(1) of this section do not apply to out-of-pocket costs incurred pursuant to paragraph (m)(1)(i) or (m)(2)(i) of §199.17 under the point-of-service option of TRICARE Prime.

(g) *Updates.* The enrollment fees for fiscal year 1996 set under paragraph (c) of this section and the per service specific dollar amounts for fiscal year 1996 set under paragraphs (d) and (e) of this section may be updated for subsequent years to the extent necessary to maintain compliance with statutory requirements pertaining to government costs. This updating does not apply to cost sharing that is expressed as a percentage of allowable charges; these percentages will remain unchanged. The Secretary shall ensure that the TRICARE program complies with statutory cost neutrality requirements.

[60 FR 52101, Oct. 5, 1995, as amended at 63 FR 9143, Feb. 24, 1998]

§199.20 Continued Health Care Benefit Program (CHCBP).

(a) *Purpose.* The CHCBP is a premium based temporary health care coverage program that will be available to qualified beneficiaries (set forth in paragraph (d)(1) of this section). Medical coverage under this program will mirror the benefits offered via the basic CHAMPUS program. Premium costs for this coverage are payable by enrollees to a Third Party Administrator. The CHCBP is not part of the CHAMPUS program. However, as set forth in this section, it functions under most of the rules and procedures of CHAMPUS. Because the purpose of the CHCBP is to provide a continuation health care benefit for the Department of Defense and the other Uniformed Services (e.g., NOAA, PHS, and the Coast Guard) health care beneficiaries losing eligibility, it will be administered so that it appears, to the maximum extent possible, to be part of CHAMPUS.

(b) *General provisions.* Except for any provisions the Director, OCHAMPUS may exclude, the general provisions of §199.1 shall apply to the CHCBP as they do to CHAMPUS.

(c) *Definitions.* Except as may be specifically provided in this section, to the extent terms defined in §199.2 are relevant to the administration of the CHCBP, the definitions contained in that section shall apply to the CHCBP as they do to CHAMPUS.

(d) *Eligibility and enrollment*—(1) *Eligibility.* Enrollment in the CHCBP is open to the following individuals:

(i) Members of Uniformed Services, who:

(A) Are discharged or released from active duty (or full time National Guard duty), whether voluntarily or involuntarily, under other than adverse conditions;

(B) Immediately preceding that discharge or release, were entitled to medical and dental care under 10 U.S.C. 1074(a) (except in the case of a member discharged or released from full-time National Guard duty); and,

(C) After that discharge or release and any period of transitional health care provided under 10 U.S.C. 1145(a) would not otherwise be eligible for any benefit under 10 U.S.C. chapter 55.

(ii) A person who:

(A) Ceases to meet requirements for being considered an unmarried dependent child of a member or former member of the armed forces under 10 U.S.C. 1072(2)(D);

(B) On the day before ceasing to meet those requirements, was covered under a health benefits plan under 10 U.S.C. chapter 55, or transitional health care under 10 U.S.C. 1145(a) as a dependent of the member or former member; and,

(C) Would not otherwise be eligible for any benefits under 10 U.S.C. chapter 55.

(iii) A person who:

(A) Is an unremarried former spouse of a member or former member of the armed forces;

(B) On the day before the date of the final decree of divorce, dissolution, or annulment was covered under a health

benefits plan under 10 U.S.C. chapter 55, or transitional health care under 10 U.S.C. 1145(a) as a dependent of the member or former member; and,

(C) Is not a dependent of the member or former member under 10 U.S.C. 1072(2)(F) or (G) or ends a one-year period of dependency under 10 U.S.C. 1072(2)(H).

(2) *Effective date.* Except for the special transitional provisions in paragraph (r) of this section, eligibility in the CHCBP is limited to individuals who lost their entitlement to regular military health services system benefits on or after October 1, 1994.

(3) *Notification of eligibility.* (i) The Department of Defense and the other Uniformed Services (National Oceanic and Atmospheric Administration (NOAA), Public Health Service (PHS), Coast Guard) will notify persons eligible to receive health benefits under the CHCBP.

(ii) In the case of a member who becomes (or will become) eligible for continued coverage, the Department of Defense shall notify the member of their rights for coverage as part of pre-separation counseling conducted under 10 U.S.C. 1142.

(iii) In the case of a child of a member or former member who becomes eligible for continued coverage:

(A) The member or former member may submit to the Third Party Administrator a notice of the child's change in status (including the child's name, address, and such other information needed); and

(B) The Third Party Administrator, within 14 days after receiving such information, will inform the child of the child's rights under 10 U.S.C. 1142.

(iv) In the case of a former spouse of a member or former member who becomes eligible for continued coverage, the Third Party Administrator will notify the individual of eligibility for CHCBP when he or she declares the change in marital status to a military personnel office.

(4) *Election of coverage.* (i) In order to obtain continued coverage, written election by eligible beneficiary must be made, within a prescribed time period. In the case of a member discharged or released from active duty (or full time National Guard duty), whether voluntarily or involuntarily; an unremarried spouse of a member or former member; or a child emancipated from a member or former member, the written election shall be submitted to the Third Party Administrator before the end of the 60-day period beginning on the later of:

(A) The date of the discharge or release of the member from active duty or full-time National Guard duty;

(B) The date on which the period of transitional health care applicable to the member under 10 U.S.C. 1145(a) ends;

(C) In the case of an unremarried former spouse of a member or former member, the date the one-year extension of dependency under 10 U.S.C. 1072(2)(H) expires; or

(D) The date the member receives the notification of eligibility.

(ii) A member of the armed forces who is eligible for enrollment under paragraph (d)(1)(i) of this section may elect self-only or family coverage. Family members who may be included in such family coverage are the spouse and children of the member.

(5) *Enrollment.* Enrollment in the Continued Health Care Benefit Program will be accomplished by submission of an application to a Third Party Administrator (TPA). Upon submittal of an application to the Third Party Administrator, the enrollee must submit proof of eligibility. One of the following types of evidence will validate eligibility for care:

(i) A Defense Enrollment Eligibility Reporting System (DEERS) printout which indicates the appropriate sponsor status and the sponsor's and dependent's eligibility dates;

(ii) A copy of a verified and approved DD Form 1172, ''Application for Uniformed Services Identification and Privilege Card'';

(iii) A front and back copy of a DD Form 1173, ''Uniformed Services Identification and Privilege Card'' overstamped ''TA'' for Transition Assistance Management Program; or

(iv) A copy of a DD Form 214—''Certificate of Release or Discharge from Active Duty''.

(6) *Period of coverage.* CHCBP coverage may not extend beyond:

(i) For a member discharged or released from active duty (or full time

National Guard duty), whether voluntarily or involuntarily, the date which is 18 months after the date the member ceases to be entitled to care under 10 U.S.C. 1074(a) and any transitional care under 10 U.S.C. 1145.

(ii) In the case of an unmarried dependent child of a member or former member, the date which is 36 months after the date on which the person first ceases to meet the requirements for being considered an unmarried dependent child under 10 U.S.C. 1072(2)(D).

(iii) In the case of an unremarried former spouse of a member or former member, the date which is 36 months after the later of:

(A) The date on which the final decree of divorce, dissolution, or annulment occurs; or

(B) If applicable, the date the one-year extension of dependency under 10 U.S.C. 1072(2)(H) expires.

(iv) In the case of an unremarried former spouse of a member or former member, whose divorce occurred prior to the end of transitional coverage, the period of coverage under the CHCBP is unlimited, if:

(A) Has not remarried before the age of 55; and

(B) Was enrolled in the CHCBP as the dependent of an involuntarily separated member during the 18-month period before the date of the divorce, dissolution, or annulment; and

(C) Is receiving a portion of the retired or retainer pay of a member or former member or an annuity based on the retainer pay of the member; or

(D) Has a court order for payment of any portion of the retired or retainer pay; or

(E) Has a written agreement (whether voluntary or pursuant to a court order) which provides for an election by the member or former member to provide an annuity to the former spouse.

(v) For the beneficiary who becomes eligible for the Continued Health Care Benefit Program by ceasing to meet the requirements for being considered an unmarried dependent child of a member or former member, health care coverage may not extend beyond the date which is 36 months after the date the member becomes ineligible for medical and dental care under 10 U.S.C. 1074(a) and any transitional health care under 10 U.S.C. 1145(a).

(vi) Though beneficiaries have sixty-days (60) to elect coverage under the CHCBP, upon enrolling, the period of coverage must begin the day after entitlement to a military health care plan (including transitional health care under 10 U.S.C. 1145(a)) ends.

(e) *CHCBP benefits*—(1) *In general.* Except as provided in paragraph (e)(2) of this section, the provisions of § 199.4 shall apply to the CHCBP as they do to CHAMPUS.

(2) *Exceptions.* The following provisions of § 199.4 are not applicable to the CHCBP:

(i) Paragraph (a)(2) of this section concerning eligibility:

(ii) All provisions regarding nonavailability statements or requirements to use facilities of the Uniformed Services.

(3) *Beneficiary liability.* For purposes of CHAMPUS deductible and cost sharing requirements and catastrophic cap limits, amounts applicable to the categories of beneficiaries to which the CHCBP enrollee last belonged shall continue to apply, except that for separating active duty members, amounts applicable to dependents of active duty members shall apply.

(f) *Authorized providers.* The provisions of § 199.6 shall apply to the CHCBP as they do to CHAMPUS.

(g) *Claims submission, review, and payment.* The provisions of § 199.7 shall apply to the CHCBP as they do to CHAMPUS, except that no provisions regarding nonavailability statements shall apply.

(h) *Double coverage.* The provisions of § 199.8 shall apply to the CHCBP as they do to CHAMPUS.

(i) *Fraud, abuse, and conflict of interest.* Administrative remedies for fraud, abuse and conflict of interest. The provisions of § 199.9 shall apply to the CHCBP as they do to CHAMPUS.

(j) *Appeal and hearing procedures.* The provisions of § 199.10 shall apply to the CHCBP as they do to CHAMPUS.

(k) *Overpayment recovery.* The provisions of § 199.11 shall apply to the CHCBP as they do to CHAMPUS.

(l) *Third Party recoveries.* The provisions of § 199.12 shall apply to the CHCBP as they do to CHAMPUS.

(m) *Provider reimbursement methods.* The provisions of § 199.14 shall apply to the CHCBP as they do to CHAMPUS.

(n) *Peer Review Organization Program.* The provisions of § 199.15 shall apply to the CHCBP as they do to CHAMPUS.

(o) *Preferred provider organization programs available.* Any preferred provider organization program under this part that provides for reduced cost sharing for using designated providers, such as the ''TRICARE Extra'' option under § 199.17, shall be available to participants in the CHCBP as it is to CHAMPUS beneficiaries.

(p) *Special programs not applicable*—(1) *In general.* Special programs established under this part that are not part of the basic CHAMPUS program established pursuant to 10 U.S.C. 1079 and 1086 are not, unless specifically provided in this section, available to participants in the CHCBP.

(2) *Examples.* The special programs referred to in paragraph (p)(1) of this section include:

(i) The Program for Persons with Disabilities under § 199.5;

(ii) The Active Duty Dependents Dental Plan under § 199.13;

(iii) The Supplemental Health Care Program under § 199.16; and

(iv) The TRICARE Enrollment Program under § 199.17, except for TRICARE Extra program under that section.

(3) *Exemptions to the restriction.* In addition to the provision to make TRICARE Extra available to CHCBP beneficiaries, the following two demonstration projects are also available to CHCBP enrollees:

(i) Home Health Care Demonstration; and

(ii) Home Health Care-Case Management Demonstration.

(q) *Premiums*—(1) *Rates.* Premium rates will be established by the Assistant Secretary of Defense (Health Affairs) for two rate groups—individual and family. Eligible beneficiaries will select the level of coverage they require at the time of initial enrollment (either individual or family) and pay the appropriate premium payment. The rates are based on Federal Employee Health Benefit Program employee and agency contributions required for a comparable health benefits plan, plus an administrative fee. The administrative fee, not to exceed ten percent of the basic premium amount, shall be determined based on actual expected administrative costs for administration of the program. Premiums may be revised annually and shall be published annually for each fiscal year. Premiums will be paid by enrollees quarterly.

(2) Effects of failure to make premium payments. Failure by enrollees to submit timely and proper premium payments will result in denial of continued enrollment and denial of payment of medical claims. Premium payments which are late 30 days or more past the start of the quarter for which payment is due will result in the ending of beneficiary enrollment. Beneficiaries denied continued enrollment due to lack of premium payments will not be allowed to reenroll. In such a case, benefit coverage will cease at the end of the ninety day (90) period for which a premium payment was received. Enrollees will be held liable for medical costs incurred after losing eligibility.

(r) *Transitional provisions.* (1) There will be a sixty-day period of enrollment for all eligible beneficiaries (outlined in paragraph (d)(1) of this section) whose entitlement to regular military health services system coverage ended on or after August 2, 1994, but prior to the CHCBP implementation on October 1, 1994.

(2) Enrollment in the U.S. VIP program may continue up to October 1, 1994. Policies written prior to October 1, 1994, will remain in effect until the end of the policy life.

(3) On or after the October 1, 1994, implementation of the Continued Health Care Benefit Program, beneficiaries who enrolled in the U.S. VIP program prior to October 1, 1994, may elect to cancel their U.S. VIP policy and enroll in the CHCBP.

(4) With the exception of persons enrolled in the U.S. VIP program who may convert to the CHCBP, individuals who lost their entitlement to regular military health services system coverage prior to August 2, 1994, are not eligible for the CHCBP.

(s) *Procedures.* The Director, OCHAMPUS, may establish other rules

and procedures for the administration of the Continued Health Care Benefit Program.

[59 FR 49818, Sept. 30, 1994, as amended at 62 FR 35097, June 30, 1997]

§199.21 TRICARE Selected Reserve Dental Program (TSRDP).

(a) *Purpose.* The TSRDP is a premium based indemnity dental insurance coverage program that will be available to members of the Selected Reserve of the Ready Reserve. Dental coverage will be available only to members of the Selected Reserve, no family coverage will be offered. The TSRDP is authorized by 10 U.S.C. 1076b.

(b) *General provisions.* (1) Benefits are limited to diagnostic services, preventive services, basic restorative services, and emergency oral examinations.

(2) Premium costs for this coverage will be shared by the enrollee and the government.

(3) The program is applicable to authorized providers in the 50 United States and the District of Columbia, Puerto Rico, Guam, and the U.S. Virgin Islands.

(4) Except as otherwise provided in this section or by the Assistant Secretary of Defense (Health Affairs) or designee, the TSRDP is administered in a manner similar to the Active Duty Dependents Dental Plan under §199.13 of this part.

(5) The TSRDP shall be administered through a contract.

(c) *Definitions.* Except as may be specifically provided in this section, to the extent terms defined in §§199.2 and 199.13(b) of this part are relevant to the administration of the TRICARE Selected Reserve Dental Program, the definitions contained in §§199.2 and 199.13(b) of this part shall apply to the TSRDP as they do to CHAMPUS and the Active Duty Dependents Dental Plan.

(d) *Eligibility and enrollment.*(1) *Eligibility.* Enrollment in the TRICARE Selected Reserve Dental Program is open to members of the Selected Reserve of the Ready Reserve.

(2) *Notification of eligibility.* The contractor will notify persons eligible to receive dental benefits under the TRICARE Selected Reserve Dental Program.

(3) *Election of coverage.* Following this notification, interested Reservists may elect to enroll. In order to obtain dental coverage, written election by eligible beneficiary must be made.

(4) *Enrollment.* Enrollment in the TRICARE Selected Reserve Dental Program is voluntary and will be accomplished by submission of an application to the TSRDP contractor. Initial enrollment shall be for a period of 12 months followed by month-to-month enrollment as long as the enrollee chooses to continue enrollment.

(5) *Period of coverage.* TRICARE Selected Reserve Dental Program coverage is terminated on the last day of the month in which the member is discharged, transferred to the Individual Ready Reserve, Standby Reserve, or Retired Reserve, or ordered to active duty for a period of more than 30 days.

(e) *Premium sharing.* The Government and the enrollee will share in the monthly premium cost.

(f) *Premium payments.* The enrollee will be responsible for a monthly premium payment in order to obtain the dental insurance.

(1) *Premium payment method.* The premium payment may be collected pursuant to procedures established by the Assistant Secretary of Defense (Health Affairs).

(2) *Effects of failure to make premium payments.* Failure to make monthly renewal premium payments will result in the enrollee being disenrolled from the TSRDP and subject to a lock-out period of 12 months. Following this period of time, eligible Reservists will be able to reenroll if they so choose.

(3) *Member's share of premiums.* The cost of the TSRDP monthly premium will be shared between the Government and the enrollee. Interested eligible Reservists may contact the dental contactor to obtain the enrollee premium cost. The member's share may not exceed $25 per month.

(g) *Plan benefits.* (1) The TSRDP will provide basic dental coverage, to include diagnostic services, preventive services, basic restorative services, and emergency oral examinations. The following is the TSRDP covered dental benefit (using the American Dental Association, The Council on Dental Care

Program's Code On Dental Procedures and Nomenclature):

(i) Diagnostic: Comprehensive oral evaluation (00150), and Periodic oral evaluation (00120), Intraoral-complete series (including bitewings) (00210); Intraoral-periapical-first film (00220); Intraoral-periapical-each additional film (00230); Bitewings-single film (00272); Bitewings-two films (00272); Bitewings-four films (00274); Panoramic film (00330); Pulp Vitality Tests (00460).

(ii) Preventive: Prophylaxis-adult (limit-two per year) (01110); Tropical application of fluoride (excluding prophylaxis)-adult (01204).

(iii) Restorative: Amalgam-one surface, permanent (02140); Amalgam-two surfaces, permanent (02150); Amalgam-three surfaces; permanent (02160); Amalgam-four or more surfaces, permanent (02161); Resin-one surface, anterior (02330); Resin-two surfaces, anterior (02331); Resin-three surfaces, anterior (02332); Resin-four or more surfaces or involving incisal angle (anterior) (02335); Pin retention-per tooth, in addition to restoration (02951).

(iv) Oral Surgery: Single tooth (07110); Each additional tooth (07120); Root removal-exposed roots (07130); Surgical removal of erupted tooth requiring elevation of mucoperiosteal flap and removal of bone and/or section of tooth (07210); Surgical removal of residual tooth roots (cutting procedure) (07250).

(v) Emergency: Limited oral evaluation—problem focused (00140); Palliative (emergency) treatment of dental pain-minor procedures (09110). (2) Codes listed in paragraph (g)(1) of this section may be modified by the Director, OCHAMPUS, to the extent determined appropriate based on developments in common dental care practices and standard dental insurance programs.

(h) *Maximum annual cap.* TSRDP enrollees will be subject to a maximum $1,000.00 of paid allowable charges per year.

(i) *Annual notification of rates.* TSRDP premiums will be determined as part of the competitive contracting process. Information on the premium rates will be widely distributed.

(j) *Authorized providers.* The TSRDP enrollee may seek covered services from any provider who is fully licensed and approved to provide dental care in the state where the provider is located.

(k) *Benefit payment.* Enrollees are not required to utilize the special network of dental providers established by the TSRDP contractor. For enrollees who do use this network, however, providers shall not balance bill any amount in excess of the maximum payment allowable by the TSRDP. Enrollees using non-network providers may be balance billed amounts in excess of allowable charges. The maximum payment allowable by the TSRDP (minus the appropriate cost-share) will be the lesser of:

(1) Billed charges; or

(2) Usual, Customary and Reasonable rates, in which the customary rate is calculated at the 85th percentile of billed charges in that geographic area, as measured in an undiscounted charge profile in 1995 or later for that geographic area (as defined by three-digit zip code).

(l) *Appeal and hearing procedures.* All levels of appeals and grievances established by the Contractor for internal review shall be exhausted prior to forwarding to OCHAMPUS for a final review. Procedures comparable to those established under § 199.13(h) of this part shall apply.

(m) *Preemption of State laws.* (1) Pursuant to 10 U.S.C. 1103, the Department of Defense has determined that in the administration of chapter 55 of title 10, U.S. Code, preemption of State and local laws relating to health insurance, prepaid health plans, or other health care delivery or financing methods is necessary to achieve important Federal interests, including but not limited to the assurance of uniform national health programs for military families and the operation of such programs at the lowest possible cost to the Department of Defense, that have a direct and substantial effect on the conduct of military affairs and national security policy of the United States. This determination is applicable to the dental services contracts that implement this section.

(2) Based on the determination set forth in paragraph (m)(1) of this section, any State or local law or regulation pertaining to health or dental insurance, prepaid health or dental plans, or other health or dental care delivery,

administration, and financing methods is preempted and does not apply in connection with the TRICARE Selected Reserve Dental Program contract. Any such law, or regulation pursuant to such law, is without any force or effect, and State or local governments have no legal authority to enforce them in relation to the TRICARE Selected Reserve Dental Program contract. (However, the Department of Defense may, by contract, establish legal obligations on the part of the TRICARE Selected Reserve Dental Program contractor to conform with requirements similar to or identical to requirements of State or local laws or regulations).

(3) The preemption of State and local laws set forth in paragraph (m)(2) of this section includes State and local laws imposing premium taxes on health or dental insurance carriers or underwriters or other plan managers, or similar taxes on such entities. Such laws are laws relating to health insurance, prepaid health plans, or other health care delivery or financing methods, within the meaning of section 1103. Preemption, however, does not apply to taxes, fees, or other payments on net income or profit realized by such entities in the conduct of business relating to DoD health services contracts, if those taxes, fees or other payments are applicable to a broad range of business activity. For the purposes of assessing the effect of Federal preemption of State and local taxes and fees in connection with DoD health and dental services contracts, interpretations shall be consistent with those applicable to the Federal Employees Health Benefits Program under 5 U.S.C. 8909(f).

(n) *Administration*. The Assistant Secretary of Defense (Health Affairs) or designee may establish other rules and procedures for the administration of the TRICARE Selected Reserve Dental Program.

[62 FR 66990, Dec. 23, 1997]

§199.22 TRICARE Retiree Dental Program (TRDP).

(a) *Purpose*. The TRDP is a premium based indemnity dental insurance coverage program that will be available to retired members of the Uniformed Services, their dependents, and certain other beneficiaries, as specified in paragraph (d) of this section. The TRDP is authorized by 10 U.S.C. 1076c.

(b) *General provisions*. (1) Benefits are limited to diagnostic services, preventive services, basic restorative services (including endodontics), surgical services, and emergency oral examinations, as specified in paragraph (f) of this section.

(2) Premium costs for this coverage will be paid by the enrollee.

(3) The program is applicable to authorized providers in the 50 United States and the District of Columbia, Canada, Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands.

(4) Except as otherwise provided in this section or by the Assistant Secretary of Defense (Human Affairs) or designee, the TRDP is administered in a manner similar to the Active Duty Dependents Dental Plan under §199.13 of this part.

(5) The TRDP shall be administered through a contract.

(c) *Definitions*. Except as may be specifically provided in this section, to the extent terms defined in §§199.2 and 199.13(b) of this part are relevant to the administration of the TRICARE Retiree Dental Program, the definitions contained in §§199.2 and 199.13(b) of this part shall apply to the TRDP as they do to CHAMPUS and the TRICARE Active Duty Dependents Dental Plan.

(d) *Eligibility and enrollment*.—(1) *Eligibility*. Enrollment in the TRICARE Retiree Dental Program is open to:

(i) Members of the Uniformed Services who are entitled to retired pay;

(ii) Members of the Retired Reserve under the age of 60;

(iii) Eligible dependents of paragraph (d)(1)(i) or paragraph (d)(1)(ii) of this section who are covered by the enrollment of the member; and

(iv) The unremarried surviving spouse and eligible child dependents of a deceased member who died while in status described in paragraph (d)(1)(i) or paragraph (d)(1)(ii) of this section; the unremarried surviving spouse and eligible child dependents who receive a surviving spouse annuity; or the unremarried surviving spouse and eligible child dependents of a deceased member who died while on active duty

for a period of more than 30 days and whose eligible dependents are not eligible or no longer eligible for the Active Duty Dependents Dental Plan.

(2) *Notification of eligibility.* The contractor will notify persons eligible to receive dental benefits under the TRICARE Retiree Dental Program.

(3) *Election of coverage.* Following this notification, interested members entitled to retired pay and eligible family members and their dependents may elect to enroll. In order to obtain dental coverage, written election by the eligible beneficiary must be made.

(4) *Enrollment.* Enrollment in the TRICARE Retiree Dental Program is voluntary and will be accomplished by submission of an application to the TRDP contractor. Initial enrollment shall be for a period of 24 months followed by month-to-month enrollment as long as the enrollee chooses to continue enrollment.

(5) *Period of coverage.* TRICARE Retiree Dental Program coverage is terminated when the member's entitlement to retired pay is terminated, the member's status as a member of the Retired Reserve is terminated, a dependent child loses eligible child dependent status, or in the case of remarriage of the surviving spouse.

(6) *Continuation of dependents' enrollment upon death of enrollee.* Coverage of a dependent in the TRDP under an enrollment of a member or surviving spouse who dies during the period of enrollment shall continue until the end of that period and may be renewed by (or for) the dependent, so long as the premium paid is sufficient to cover continuation of the dependent's enrollment. Coverage may be terminated when the premiums paid are no longer sufficient to cover continuation of the enrollment.

(e) *Premium payments.* Persons enrolled in the dental plan will be responsible for paying the full cost of the premiums in order to obtain the dental insurance.

(1) *Premium payment method.* The premium payment may be collected pursuant to procedures established by the Assistant Secretary of Defense (Health Affairs) or designee.

(2) *Effects of failure to make premium payments.* Failure to make monthly renewal premium payments will result in the enrollee's disenrollment from the TRDP and subject to a lock-out period of 12 months. Following this period of time, persons eligible will be able to reenroll if they so choose.

(3) *Member's payment of premiums.* The cost of the TRDP monthly premium will be paid by the enrollee. Interested beneficiaries may contact the dental contractor-insurer to obtain the enrollee premium cost.

(f) *Plan benefits.* (1) The TRDP will provide basic dental care, to include diagnostic services, preventive services, basic restorative services (including endodontics), surgical services, and emergency oral examinations. The following is the TRDP covered dental benefit (using the American Dental Association, The Council on Dental Care Program's Code On Dental Procedures and Nomenclature):

(i) Diagnostic Periodic oral evaluation (00120); Comprehensive oral evaluation (limited to one exam per year in the same dental office) (00150), Intraoral-complete series (including bitewings) (00210); Intraoral-periapical-first film (00220); Intraoral-periapical-each additional film (00230); Intraoral-occlusal film (00240); Bitewings-single film (00270); Bitewings-two films (00272); Bitewings-four films (00274); Panoramic film (00330); Caries susceptibility tests, by report (00425); Pulp vitality tests (00460).

(ii) Preventive: Prophaylaxis-adult (limit-once per year) (01110); Prophylaxis-child (01120); Topical application of fluoride (excluding prophylaxis)-child (01203); Topical application of fluoride (excluding prophylaxis)-adult, by report, once per year (01204); Sealant-per tooth (01351); Space maintainer-fixed-unilateral (01510); Space maintainer-fixed-bilateral (01515); Space maintainer-removable-unilateral (01520); Space maintainer-removable-bilateral (01525); Recementation of space maintainer (01550).

(iii) Restorative: Amalgam-one surface, primary (02110); Amalgam-two surfaces, primary (02120); Amalgam-three surfaces, primary (02130); Amalgam-four or more surfaces, primary (02131); Amalgam-one surface, permanent (02140); Amalgam-two surfaces,

permanent (02150); Amalgam-three surfaces, permanent (02160); Amalgam-four or more surfaces, permanent (02161); Resin-one surface, anterior (02330); Resin-two surfaces, anterior (02331); Resin-three surfaces, anterior (02332); Resin-four or more surfaces or involving incisal angle (anterior) (02335); Recement inlay (02910); Recement crown (02920); Prefabricated stainless steel crown-primary tooth (02930); Prefabricated stainless crown-permanent tooth (02931); Prefabricated resin crown (02932); Prefabricated stainless steel crown with resin window (02933); Pin retention-per tooth, in addition to restoration (02951); Temporary crown (fractured tooth) (02970).

(iv) Endodontic: Pulp cap-indirect (excluding final restoration) (03120); Therapeutic pulpotomy (excluding final restoration) (03220); Pulpal therapy (resorbable filling)-anterior, primary tooth (excluded final restoration) (03230); Pulpal therapy (resorbable filling)-posterior, primary tooth (excluded final restoration) (03240); Anterior root canal (excluding final restoration) (03310); Bicuspid root canal (excluding final restoration) (03320); Molar root canal (excluding final restoration) (03330); Retreatment-anterior, by report (03346); Retreatment-bicuspid, by report (03347); Retreatment-molar, by report (03348); Apexification/recalcification-initial visit (apical closure/calcific repair of perforations, root resorption, etc.) (03351); Apexification/recalcification-interim medication replacement (apical closure/calcific repair of perforations, root resorption, etc.) (03352); Apexification/recalcification-final visit (includes completed root canal therapy-apical closure/calcific repair of perforations, root resorption, etc.) (03353); Apicoectomy/Periradicular surgery-anterior (03410); Apicoectomy/Periradicular surgery-bicuspid (first root) (03421); Apicoectomy/Periradicular surgery-molar (first root) (03425); Apicoectomy/Periradicular surgery (each additional root) (03426); Retrograde filling-per root (03430); Root amputation-per root (03450); Hemisection (including any root removal), not including root canal therapy (03920).

(v) Periodontic: Gingivectomy or gingivoplasty-per quadrant (04210); Gingivectomy or gingivoplasty-per tooth (04211); Gingival curettage, surgical, per quadrant, by report (04220); Gingival flap procedure, including root planing-per quadrant (04240); Mucogingival surgery-per quadrant (04250); Osseous surgery (including flap entry and closure)-per quadrant (04260); Bone replacement graft-single site (including flap entry and closure) (04263); Bone replacement graft-multiple sites (including flap entry and closure) (04264); Guided tissue regeneration—resorbable barrier (04266); Guided tissue regeneration—nonresorbable barrier (04267); Pedicle soft tissue graft procedure (04270); Free soft tissue graft procedure (including donor site) (04271); Periodontal scaling and root planing-per quadrant (04341); Periodontal maintenance procedures (following active therapy) (04910); Unscheduled dressing change (by someone other than treating dentist) (04920).

(vi) Oral Surgery: Single tooth (07110); Each additional tooth (07120); Root removal-exposed roots (07130) Surgical removal or erupted tooth requiring elevation of mucoperiosteal flap and removal of bone and/or section of tooth (07210); Removal of impacted tooth-soft tissue (07220); Removal of impacted tooth-partially bony (07230); Removal of impacted tooth-completely bony (07240); Surgical removal of residual tooth roots (cutting procudure) (07250); Oral antral fistula closure (07260); Tooth reimplantation and/or stabilization of accidentially evulsed or displaced tooth and/or alveolus (07270); Surgical exposure of impacted or unerupted tooth to aid eruption (07281); Biopsy of oral tissue-hard (07285); Biopsy of oral tissue-soft (07286); Surgical repositioning of teeth (074290); Alveoloplasty in conjunction with extractions-per quadrant (07310); Suture of recent small wounds up to 5 cm (07910); Complicated suture-up to 5 cm (07911); Complicated suture-greater than 5 cm (07912); Excision of pericoronal gingiva (07971).

(vii) Emergency: Limited oral evaluation—problem focused (00140); Palliative (emergency) treatment of dental pain-minor procedures (09110).

(viii) Drugs: Therapeutic drug injection, by report (09610); Other drugs and/or medications, by report (09630).

(ix) Postsurgical: Treatment of complications (post-surgical) unusual circumstances, by report (09930).

(2) Codes listed in paragraph (f)(1) of this section may be modified by the Director, OCHAMPUS, to the extent determined appropriate based on developments in common dental care practices and standard dental insurance programs.

(g) *Maximum annual cap.* TRDP enrollees will be subject to a maximum cap of $1,000.00 of paid allowable charges per enrollee per year.

(h) *Annual notification of rates.* TRDP premiums will be determined as part of the competitive contracting process. Information on the premium rates will be widely distributed.

(i) *Authorized providers.* The TRDP enrollee may seek covered services from any provider who is fully licensed and approved to provide dental care in the state where the provider is located.

(j) *Benefit payment.* Enrollees are not required to utilize the special network of dental providers established by the TRDP contractor. For enrollees who do use these network providers, however, providers shall not balance bill any amount in excess of the maximum payment allowable by the TRDP. Enrollees using non-network providers may balance billed amounts in excess of allowable charges. The maximum payment allowable by the TRDP (minus the appropriate cost-share) will be the lesser of:

(1) Billed charges; or

(2) Usual, Customary and Reasonable rates, in which the customary rate is calculated at the 50th percentile of billed charges in that geographic area, as measured in an undiscounted charge profile in 1995 or later for that geographic area (as defined by three-digit zip code).

(k) *Appeal and hearing procedures.* All levels of appeals and grievances established by the Contractor for internal review shall be exhausted prior to forwarding to OCHAMPUS for a final review. Procedures comparable to those established under § 199.13(h) of this part shall apply.

(l) *Preemption of State laws.* (1) Pursuant to 10 U.S.C. 1103, the Department of Defense has determined that in the administration of chapter 55 of title 10, U.S. Code, preemption of State and local laws relating to health insurance, prepaid health plans, or other health care delivery or financing methods is necessary to achieve important Federal interests, including but not limited to the assurance of uniform national health programs for military families and the operation of such programs at the lowest possible cost to the Department of Defense, that have a direct and substantial effect on the conduct of military affairs and national security policy of the United States. This determination is applicable to the dental services contracts that implement this section.

(2) Based on the determination set forth in paragraph (l)(1) of this section, any State or local law or regulation pertaining to health or dental insurance, prepaid health or dental plans, or other health or dental care delivery, administration, and financing methods is preempted and does not apply in connection with the TRICARE Retiree Dental Program contract. Any such law, or regulation pursuant to such law, is without any force or effect, and State or local governments have no legal authority to enforce them in relation to the TRICARE Retiree Dental Program contract. (However, the Department of Defense may, by contract, establish legal obligations on the part of the TRICARE Retiree Dental Program contractor to conform with requirements similar to or identical to requirements of State or local laws or regulations).

(3) The preemption of State and local laws set forth in paragraph (l)(2) of this section includes State and local laws imposing premium taxes on health or dental insurance carriers or underwriters or other plan managers, or similar taxes on such entities. Such laws are laws relating to health insurance, prepaid health plans, or other health care delivery or financing methods, within the meaning of section 1103. Preemption, however, does not apply to taxes, fees, or other payments on net income or profit realized by such entities in the conduct of business relating to DoD health services contracts, if those taxes, fees or other payments are applicable to a broad range of business activity. For the purposes of assessing

the effect of Federal preemption of State and local taxes and fees in connection with DoD health and dental services contracts, interpretations shall be consistent with those applicable to the Federal Employees Health Benefits Program under 5 U.S.C. 8909(f).

(m) *Administration*. The Assistant Secretary of Defense (Health Affairs) or designee may establish other rules and procedures for the administration of the TRICARE Retiree Dental Program.

[62 FR 66993, Dec. 23, 1997]

APPENDIX A TO PART 199—ACRONYMS

AFR—Air Force Regulation
AR—Army Regulation
ASD (HA)—Assistant Secretary of Defense (Health Affairs)
CCLR—Claims Collection Litigation Report
CEOB—CHAMPUS Explanation of Benefits
CFR—Code of Federal Regulations
CHAMPUS—Civilian Health and Medical Program of the Uniformed Services
CRD—Chronic Renal Disease
CT—Computerized Tomography
DASD (A)—Deputy Assistant Secretary of Defense (Administration)
D.D.S.—Doctor of Dental Surgery
DEERS—Defense Enrollment Eligibility Reporting System
DHHS—Department of Health and Human Services
D.M.D.—Doctor of Dental Medicine
DME—Durable Medical Equipment
D.O.—Doctor of Osteopathy
DoD—Department of Defense
DSM–III—Diagnostic and Statistical Manual of Mental Disorders (Third Edition)
EEG—Electroencephalogram
EST—Electroshock Therapy
FAR—Federal Acquisition Regulation
FEHBP—Federal Employees Health Benefits Program
FMCRA—Federal Medical Care Recovery Act
FR—Federal Register
HBA—Health Benefits Advisor
HL—Hearing Threshold Level
Hz—Hertz
ICD–9–CM—International Classification of Diseases, 9th Revision, Clinical Modification
ICU—Intensive Care Unit
IQ—Intelligence Quotient
JCAH—Joint Commission on Accreditation of Hospitals
L.P.N.—Licensed Practical Nurse
L.V.N.—Licensed Vocational Nurse
MBD—Minimal Brain Dysfunction
MCO—Marine Corps Order
M.D.—Doctor of Medicine
MIA—Missing in Action
NATO—North Atlantic Treaty Organization
NAVMILPERSCOMINST—Navy Military Personnel Command Instruction
NAVPERS—Navy Personnel
NOAA—National Oceanic and Atmospheric Administration
OCHAMPUS—Office of Civilian Health and Medical Program of the Uniformed Services
OCHAMPUSEUR—Office of Civilian Health and Medical Program of the Uniformed Services for Europe
OCHAMPUSPAC—Office of Civilian Health and Medical Program of the Uniformed Services for the Pacific Area
OCHAMPUSSO—Office of Civilian Health and Medical Program of the Uniformed Services for the Southern Hemisphere
OMB—Office of Management and Budget
PFPWD—Program for Persons with Disabilities
PKU—Phenylketonuria
R.N.—Registered Nurse
RTC—Residential Treatment Center
SNF—Skilled Nursing Facility
STF—Specialized Treatment Facility
U.S.C.—United States Code
USPHS—U.S. Public Health Service

[51 FR 24008, July 1, 1986, as amended at 62 FR 35097, June 30, 1997]

PART 203—TECHNICAL ASSISTANCE FOR PUBLIC PARTICIPATION (TAPP) IN DEFENSE ENVIRONMENTAL RESTORATION ACTIVITIES

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APPENDIX A TO PART 203—TECHNICAL ASSISTANCE FOR PUBLIC PARTICIPATION APPLICATION REQUEST FORM

AUTHORITY: 10 U.S.C. 2705.

SOURCE: 63 FR 5261, Feb. 2, 1998, unless otherwise noted.

§ 203.1 Authority.

Part 203 is issued under the authority of section 2705 of Title 10, United States Code. In 1994, Congress authorized the Department of Defense (DoD) to develop a program to facilitate public participation by providing technical assistance to local community members of Restoration Advisory Boards (RABs) and Technical Review Committees (TRCs) (section 326 of the National Defense Authorization Act for Fiscal Year 1995, Pub.L. 103–337). In 1996, Congress revised this authority (section 324 of the National Defense Authorization Act for Fiscal Year 1996, Pub.L. 104–112). It is pursuant to this revised authority, which is codified as new subsection (3) of section 2705, that the Department of Defense issues this part.

§ 203.2 Purpose and availability of referenced material.

(a) This part establishes the Technical Assistance for Public Participation (TAPP) program for the Department of Defense. It sets forth policies and procedures for providing technical assistance to community members of TRCs and RABs established at DoD installations in the United States and its territories. This part sets forth the procedures for the Department of Defense to accept and evaluate TAPP applications, to procure the assistance desired by community members of RABs and TRCs, and to manage the TAPP program. These provisions are applicable to all applicants/recipients of technical assistance as discussed in § 203.4 of this part.

(b) Any reference to documents made in this part necessary to apply for TAPP (e.g., the Office of Management and Budget (OMB) Circulars or DoD forms) are available through the DoD installations, the military department headquarters, or from the Department of Defense, Office of the Deputy Under Secretary of Defense for Environmental Security (DUSD(ES)), 3400 Defense Pentagon, Washington, DC 20301–3400.

§ 203.3 Definitions.

As used in this part, the following terms shall have the meaning set forth:

Affected. Subject to an actual or potential health or environmental threat arising from a release or a threatened release at an installation where the Secretary of Defense is planning or implementing environmental restoration activities including a response action under the Comprehensive Environmental Response Compensation and Liability Act as amended (CERCLA), corrective action under the Resource Conservation and Recovery Act (RCRA), or other such actions under applicable Federal or State environmental restoration laws. This would include actions at active, closing, realigning, and formerly used defense installations. Examples of affected parties include individuals living in areas adjacent to installations whose health is or may be endangered by the release of hazardous substances at the facility.

Applicant. Any group of individuals that files an application for TAPP, limited by this part to community members of the RAB or TRC.

Application. A completed formal written request for TAPP that is submitted to the installation commander or to the identified decision authority designated for the installation. A completed application will include a TAPP project description.

Assistance provider. An individual, group of individuals, or company contracted by the Department of Defense to provide technical assistance under the Technical Assistance for Public Participation program announced in this part.

Assistance provider's project manager. The person legally authorized to obligate the organization executing a TAPP purchase order to the terms and conditions of the DoD's regulations and the contract, and designated by the provider to serve as the principal contact with the Department of Defense.

Community Co-chair. The individual selected by the community members of the RAB/TRC to represent them.

Community member. A member of the RAB or TRC who is also a member of the affected community. For the purpose of this part, community members do not include local, State, or Federal

government officials acting in any official capacity.

Community point of contact. The community member of the RAB or TRC designated in the TAPP application as the focal point for communications with the Department of Defense regarding the TAPP procurement process. The community point of contact is responsible for completing the reporting requirements specified in § 203.14 of this part.

Contact. A written agreement between the installation or other instrumentality of the Department of Defense and another party for services or supplies necessary to complete the TAPP project. Contracts include written agreements and subagreements for professional services or supplies necessary to complete the TAPP projects, agreements with consultants, and purchase orders.

Contracting officer. The Federal official designated to manage the contract used to fulfill the TAPP request by the RAB or TRC.

Contractor. Any party (e.g., Technical Assistance Provider) to whom the installation or other instrumentality of the Department of Defense awards a contract. In the context of this part, it is synonymous with assistance provider.

Cost estimate. An estimate of the total funding required for the assistance provider to complete the TAPP project.

DoD Component. The military services including the Army, Navy, Marine Corps, and Air Force and those defense agencies with an environmental restoration program.

DoD Component Deputy Assistant Secretary. The individual in the office of the Secretary of the Army, Navy, Air Force responsible for making environmental decisions for their component or the director of the Defense Agencies.

DoD Installation. A facility that is controlled or operated or otherwise possessed by a department, or agency of the United States Department of Defense within the United States and its territories. In the context of this part, formerly used defense sites (FUDS) are included within the definition of a DoD Installation.

DoD RAB Co-chair. The individual selected by the installation commander, or equivalent, to serve as the installation co-chair of the RAB, represent DoD's interests, serve as liaison with community RAB members, and advocate RAB concerns within the installation staff.

EPA. The United States Environmental Protection Agency.

Firm fixed price contract. A contract wherein funding is fixed, prior to the initiation of a contract, for an agreed upon service or product.

Formerly Used Defense Site (FUDS). A site that has been owned by, leased to, possessed by, or otherwise under the jurisdiction of the Department of Defense. The FUDS program does not apply to those sites outside U.S. jurisdiction.

Purchase order. An offer by the Government to buy supplies or services from a commercial source, upon specified terms and conditions, the total cost of which cannot exceed the small purchase limit of $100,000. Purchase orders are governed by Federal Acquisition Regulations (FAR) (48 CFR part 13), and the Simplified Acquisition Procedures (SAP).

Restoration Advisory Board (RAB). The RAB is a forum for representatives of the Department of Defense, local community, and EPA and/or State, local, and tribal officials to discuss and exchange information about the installation's environmental restoration program. The RAB provides stakeholders an opportunity make their views known, review progress and participate in dialogue with the decision makers.

Statement of Work. That portion of a contract which describes the actual work to be done by means of specifications or minimum requirements, quantities, performance dates, time and place of performance, and quality requirements. It is key to any procurement because it is the basis for the contractor's response and development of proposed costs.

TAPP approval. Signifies that the Department of Defense has approved the eligibility of the proposed TAPP project and will, subject to the availability of funds, undertake an acquisition to obtain the services specified in the TAPP application submitted by the RAB or TRC. The government will conduct the acquisition in accordance with

all of the applicable rules and requirements of the FAR and the SAP. Approval does not constitute an agreement to direct an award to a specific source if such an action would be contrary to the FAR.

TAPP project description. A discussion of the assistance requested that includes the elements listed in Section 203.10 of this part. The project description should contain sufficient detail to enable the Department of Defense to determine the nature and eligibility of the project, identify potential providers and estimate costs, and prepare a statement of work to begin the procurement process.

Technical assistance. Those activities specified in § 203.10 of this part that will contribute to the public's ability to provide input to the decision-making process by improving the public's understanding of overall conditions and activities. Technical assistance may include interpreting technical documents; assessing technologies; participating in relative risk evaluations, understanding health implications; and, training.

Technical assistance does not include those activities prohibited under Section 203.11 of this part, such as litigation or underwriting legal actions; political activity; generation of new primary data such as well drilling and testing, including split sampling; reopening final DoD decisions or conducting disputes with the Department of Defense; or epidemiological or health studies, such as blood or urine testing.

Technical Review Committee (TRC). A group comprised of the Department of Defense, EPA, State, and local authorities and a public representative of the community formed to meet the requirements of 10 U.S.C. 2705(c), the Department of Defense Environmental Restoration Program. Primarily functioning to review installation restoration documents, these committees are being expanded and modified at installations where interest or need necessitates the creation of a RAB.

§ 203.4 Major components of the TAPP process.

(a) The Department of Defense will issue purchase orders to technical assistance, facilitation, training, and other public participation assistance providers subject to the purchase limit per order as resources continue to be available. If multiple purchase orders are needed to assist community members of a particular RAB or TRC, the combined sum of these purchase orders cannot exceed $100,000 or, during any one year, the lesser of $25,000 or 1 percent of the installation's total projected environmental restoration cost-to-complete. Note that these limitations refer to the maximum allowable technical assistance funding per RAB/TRC. Resources available within a given year may vary. These limitations apply unless a waiver is granted by the DoD Component Secretary or equivalent for the installation in question. The $100,000 total and $25,000 annual limitations may be waived, as appropriate, to reflect the complexity of response action, the nature and extent of contamination at the installation, the level of activity at the installation, projected total needs as identified by the TAPP recipient, the size and diversity of the affected population, and the ability of the TAPP recipient to identify and raise funds from other sources.

(b) Community members of the RAB/TRC will provide a description of the services requested (TAPP Project Description) and, if desired, the names of one or more proposed technical assistance providers to the DoD RAB Co-Chair, who will ensure the application is submitted to the installation commander or other designated authority and to the appropriate DoD contracting office. Technical assistance providers proposed by the community members of a RAB or TRC at each DoD installation that meets the minimum set of organizational qualifications guidelines provided by the Department of Defense in § 203.12 of this part will be added to the governments list of bidders for the proposed procurement.

§ 203.5 TAPP process.

This section provides an overview of the TAPP process. Specific details referred to in this section can be found in subsequent sections of this part.

(a) *TAPP funding.* Funding for this TAPP program will come from the Environmental Restoration Accounts established for Army, Navy, and Air Force for operational installations. The funding for Defense Agencies' operating installations will be from the Defense-Wide Environmental Restoration Account. Funding will be from the component's base closure account for transferring or closing installations. Funding for Formerly Used Defense Sites will come from the Environmental Restoration Account established for Formerly Used Defense Sites. After justification of the TAPP proposal, each DoD Component will make funds available from their individual installation's environmental restoration or BRAC accounts, considering a number of factors related to the restoration program at the installation and its impact upon the community. These factors include, but are not limited to:

(1) Closure status.

(2) Budget.

(3) Installation restoration program status.

(4) Presence (or absence) of alternate funding.

(5) Relative risk posed by sites at the installation.

(6) Type of task to be funded.

(7) Community concern.

(8) Available funding.

(b) *Identification of proposed TAPP project.* Eligible applicants of RABs and TRCs, established in § 203.7 of this part, should determine whether a TAPP project is required to assist the community members of the RAB or TRC to interpret information regarding the nature and extent of contamination or the proposed remedial actions. Eligibility requirements for TAPP projects are described in §§ 203.10 and 203.11 of this part. In keeping with the requirements of 10 U.S.C. 2705(e), the RAB or TRC must be able to demonstrate that the technical expertise necessary for the proposed TAPP project is not available through the Federal, State, or local agencies responsible for overseeing environmental restoration at the installation, or that the selection of an independent provider will contribute to environmental restoration activities and the community acceptance of such activities. In addition, the Department of Defense encourages the RAB or TRC to seek other available sources of assistance prior to submitting a request for TAPP in order to preserve limited resources. These sources include DoD's installation restoration contractor, or other DoD contractors or personnel, EPA or state regulatory personnel, volunteer services from local universities or other experts, or assistance from state and local health and environmental organizations.

(c) *TAPP project request.* The RAB or TRC should notify the installation of its intent to pursue TAPP upon the determination that other sources of assistance are unavailable or unlikely to contribute to the community acceptance of environmental restoration activities at the installation and should prepare a formal request specifying the type of assistance required and, if desired, one or more sources for this assistance. Details concerning this request are stated in § 203.9 of this part. The RAB or TRC must certify to the Department of Defense that the TAPP request represents a request by a majority of the community members of the RAB or TRC. The RAB or TRC should ensure that the request meets the eligibility requirements specified in §§ 203.10 and 203.11 of this part. Furthermore, the RAB or TRC may outline additional criteria for the Department of Defense to consider in the selection of a provider (such as knowledge of local environmental conditions or specific technical issues, a prior work history within the study area which has relevant specific circumstances or unique challenges, or other relevant expertise or capabilities), keeping in mind that providers must meet the minimum technical qualifications outlined in § 203.12 of this part. The formal request should be submitted to the installation commander or designated decision authority, either directly, or through the DoD RAB Co-chair. The installation commander, or other designated decision authority, will review the proposed project to determine whether the proposed project conforms to the eligibility requirements. If the installation commander, or other designated authority, fails to approve the

project request, the rationale for that decision will be provided to the RAB/TRC in writing.

(d) *Purchase orders.* Upon receipt of a completed TAPP request, the installation will begin the procurement process necessary to obtain the desired services by means of a purchase order or will forward the request to the contracting authority designated by the DoD Component to act for that installation. The government is required to follow the rules and regulations for purchase orders as outlined in the FAR (48 CFR part 13). As a result, the government cannot direct awards to a specified supplier unless the procurement is under $2,500, and then only if the cost is comparable to other suppliers. For procurements over $2,500 but under $100,000, the acquisition is reserved for small businesses, unless there is a reasonable expectation that small businesses could not provide the best scientific and technological sources consistent with the demands of the proposed acquisition for the best mix of cost, performance, and schedules. Furthermore, the award must be on a competitive basis. In addition to proposing potential providers, the application for technical assistance may indicate specific criteria or qualifications that are deemed necessary by the RAB/TRC for the completion of the project to their satisfaction. This information will be used to assist the Department of Defense in preparing a bidders list. The Department of Defense will solicit bids from those providers meeting the criteria and will select a provider offering the best value to the government. Should the procurement process identify a qualified respondent other than the proposed provider(s) identified by the RAB/TRC or fail to identify any qualified respondents, the RAB/TRC will be consulted prior to the award of a purchase order. If the Department of Defense determines that the TAPP request represents an eligible project for which no funds are available, it will ask the RAB or TRC to specify whether the project should be reconsidered upon the availability of additional funds.

(e) *Reporting requirements.* The applicant must assure that copies of delivered reports are made available to the Department of Defense and must comply with the reporting requirements established in § 203.14 of this part.

§ 203.6 Cost principles.

(a) Non-profit contractors must comply with the cost principles in OMB Circular A–122. Copies of the circular may be obtained from EOP Publications, 725 17th NW, NEOB, Washington, DC 20503.

(b) For-profit contractors and subcontractors must comply with the cost principles in the FAR (48 CFR part 31).

§ 203.7 Eligible applicants.

Eligible applicants are community members of RABs or TRCs. Furthermore, the RABs or TRCs must be comprised of at least three community members to ensure community interests are broadly represented. The applicant must certify that the request represents the wishes of a simple majority of the community members of the RAB or TRC. Certification includes, but is not limited to, the results of a roll call vote of community members of the RAB or TRC documented in the meeting minutes. Other requirements of the application are detailed in § 203.9 of this part.

§ 203.8 Evaluation criteria.

The Department of Defense will begin the TAPP procurement process only after it has determined that all eligibility and responsibility requirements listed in §§ 203.6, 203.7, and 203.9 of this part are met, and after review of the specific provider qualifications as submitted in the narrative section of the application. In addition, the proposed TAPP project must meet the eligibility criteria as specified in §§ 203.10 and 203.11 of this part. Projects that fail to meet those requirements relating to the relevance of the proposed project to the restoration activities at the installation will not be approved.

§ 203.9 Submission of application.

The applicant must submit a TAPP application to begin the TAPP procurement process. The application form is included as appendix A of this part and

can be obtained from the DoD installation, the DoD Component headquarters, or directly from the Department of Defense, Office of the Deputy Under Secretary of Defense for Environmental Security, 3400 Defense Pentagon, Washington, D.C. 20301–3400. The applications will not be considered complete until the following data elements have been entered into the form:

(a) Installation.

(b) Source of TAPP request (names of RAB or TRC).

(c) Certification of majority request.

(d) RAB/TRC contact point for TAPP project.

(e) Project title.

(f) Project type (e.g. data interpretation, training, etc.).

(g) Project purpose and description (descriptions, time and locations of products or services desired).

(h) Statement of eligibility of project.

(i) Proposed provider, if known.

(j) Specific qualifications or criteria for provider.

§ 203.10 Eligible activities.

(a) TAPP procurements should be pursued by the RAB or TRC only to the extent that Federal, State, or local agencies responsible for overseeing environmental restoration at the facility do not have the necessary technical expertise for the proposed project, or the proposed technical assistance will contribute to the efficiency, effectiveness, or timeliness of environmental restoration activities at the installation and is likely to contribute to community acceptance of those activities.

(b) TAPP procurements may be used to fund activities that will contribute to the public's ability to provide advice to decision-makers by improving the public's understanding of overall conditions and activities. Categories of eligible activities include the following:

(1) *Interpret technical documents.* The installation restoration program documents each stage of investigation and decision-making with technical reports that summarize data and support cleanup decisions. Technical assistance may be provided to review plans and interpret technical reports for community members of RABs and TRCs. These reports include, but are not limited to:

(i) Installation restoration program site studies, engineering documents, such as site inspections, remedial investigations, feasibility studies, engineering evaluation and cost analyses, and decision documents (including records of decision);

(ii) Risk assessments, including baseline and ecological risk assessments conducted by the installation; and

(iii) Health assessments, such as those conducted by the Agency for Toxic Substances and Disease Registry (ATSDR).

(2) *Assess technologies.* Technical assistance may be provided to help RAB/TRC community members understand the function and implications of those technologies selected to investigate or clean up sites at the installation.

(3) *Participate in relative risk site evaluations.* Technical assistance may be provided to help RAB/TRC community members contribute to the relative risk evaluation process for specific sites.

(4) *Understand health implications.* Technical assistance may be provided to help RAB/TRC community members interpret the potential health implications of cleanup levels or remedial technologies, or to explain the health implications of site contaminants and exposure scenarios.

(5) *Training, where appropriate.* Technical trainers on specific restoration issues may be appropriate in circumstances where RAB/TRC members need supplemental information on installation restoration projects.

§ 203.11 Ineligible activities.

The following activities are ineligible for assistance under the TAPP program:

(a) Litigation or underwriting legal actions, such as paying for attorney fees or paying for a technical assistance provider to assist an attorney in preparing legal action or preparing for and serving as an expert witness at any legal proceeding regarding or affecting the site.

(b) Political activity and lobbying as defined by OMB Circular A–122.

(c) Other activities inconsistent with the cost principles stated in OMB Circular A–122, ''Cost Principles for Non-Profit Organizations.''

(d) Generation of new primary data, such as well drilling and testing, including split sampling.

(e) Reopening final DoD decisions, such as the Records of Decision (see limitations on judicial review of remedial actions under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) Section 113(h)) or conducting disputes with the Department of Defense).

(f) Epidemiological or health studies, such as blood or urine testing.

(g) Community outreach efforts, such as renting a facility and conducting public meetings, or producing and distributing newsletters.

§ 203.12 Technical assistance for public participation provider qualifications.

(a) A technical assistance provider must possess the following credentials:

(1) Demonstrated knowledge of hazardous or toxic waste issues and/or laws.

(2) Academic training in a relevant discipline (e.g., biochemistry, toxicology, environmental sciences, engineering).

(3) Ability to translate technical information into terms understandable to lay persons.

(b) A technical assistance provider should possess the following credentials:

(1) Experience working on hazardous or toxic waste problems.

(2) Experience in making technical presentations.

(3) Demonstrated writing skills.

(4) Previous experience working with affected individuals or community groups or other groups of individuals.

(c) The technical assistance provider's qualifications will vary according to the type of assistance to be provided. Community members of the RAB/TRC may suggest additional provider qualifications as part of the application for technical assistance. These additional qualifications may be used by the Department of Defense to target the most appropriate providers during the procurement process. Examples of such criteria could include prior work in the area, knowledge of local environmental conditions or laws, specific technical capabilities, or other relevant expertise.

§ 203.13 Procurement.

Procurements will be conducted as purchase orders in accordance with the FAR (48 CFR part 13). Under these procedures, procurements not exceeding $100,000 are reserved exclusively for small businesses, and will be conducted as competitive procurements. Procurements below a value of $2,500 are considered ''micro-purchases.'' These procurements do not require the solicitation of bids and may be conducted at the discretion of the contracting officer.

§ 203.14 RAB/TRC reporting requirements.

The community point of contact of the RAB or TRC must submit a report, to be provided to the installation and to DUSD(ES), to enable the Department of Defense to meet DoD reporting requirements to Congress. This report should include a description of the TAPP project, a summary of services and products obtained, and a statement regarding the overall satisfaction of the community member of the RAB or TRC with the quality of service and/or products received.

§ 203.15 Method of payment.

The SAP set forth in FAR (48 CFR part 13) require purchase orders to be conducted on a firm-fixed-price basis, unless otherwise authorized by agency procedures. The Department of Defense anticipates all TAPP awards to be firm-fixed-price procurements.

§ 203.16 Record retention and audits.

The recipient technical assistance providers shall keep and preserve detailed records in connection with the contract reflecting acquisitions, work progress, reports, expenditures and commitments, and indicate the relationship to established costs and schedules.

§203.17 Technical assistance provider reporting requirements.

Each technical assistance provider shall submit progress reports, financial status reports, materials prepared for the RAB/TRC, and a final report to the DoD installation for the TAPP project as specified by the specific purchase order agreement. The final report shall document TAPP project activities over the entire period of support and shall describe the achievements with respect to stated TAPP project purposes and objectives.

§203.18 Conflict of interest and disclosure requirements.

The Department of Defense shall require each prospective assistance provider on any contract to provide, with its bid or proposal:

(a) Information on its financial and business relationship with the installation, RAB/TRC members, or any/all potentially responsible parties (PRPs) at the site, and with their parent companies, subsidiaries, affiliates, subcontractors, contractors, and current clients or attorneys and agents. This disclosure requirement encompasses past and anticipated financial and business relationships, including services related to any proposed or pending litigation, with such parties.

(b) Certification that, to the best of its knowledge and belief, it has disclosed such information or no such information exists.

(c) A statement that it shall disclose immediately any such information discovered after submission of its bid or after award. The contracting officer shall evaluate such information and shall exclude any prospective contractor if the contracting officer determines the prospective contractor has a potential conflict of interest that is both significant and cannot be avoided or otherwise resolved. If, after award, the contracting officer determines that a conflict of interest exists that is both significant and cannot be avoided or resolved, the contract will be terminated for cause.

(d) Contractors and subcontractors may not be technical assistance providers to community members of RABs/TRCs at an installation where they are performing cleanup activities for the Federal or State government or any other entity.

§203.19 Appeals process.

DoD Components will establish an appeals process to settle potential disputes between the Department of Defense and the public regarding certain decisions arising out of the TAPP process. The Department of Defense recognizes that the RAB/TRC may disagree with the findings of the installation commander that a proposed TAPP project is ineligible, either because of the availability of alternate sources of assistance or because the project does not meet the eligibility criteria established in this part. It is in the best interests of the Department of Defense and the community members of RABs and TRCs to anticipate and avoid disputes and to work cooperatively to resolve potential differences of opinion. However, in certain circumstances, the RAB/TRC community members may feel that their needs were not adequately served by the decisions of the Department of Defense. In this instance, the hierarchical structure and chain-of-command within each DoD Component will serve as the avenue for appeal. Appeals will be considered within the chain-of-command, and, in general, will be resolved at the lowest level possible. The highest level of appeal will be at the DoD Component Deputy Assistant Secretary level with authority over the DERP and BRAC environmental programs. Inherently governmental functions, such as the procurement process governed by the FAR, are not subject to appeal.

APPENDIX A TO PART 203 - Technical Assistance for Public Participartion Request Form

TECHNICAL ASSISTANCE FOR PUBLIC PARTICIPATION (TAPP) APPLICATION

Form Approved
OMB No. 0704-0392
Expires Dec 31, 1999

The public reporting burden for this collection of information is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to Department of Defense, Washington Headquarters Services, Directorate for Information Operations and Reports (0704-0392), 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.

PLEASE DO NOT RETURN YOUR FORM TO THE ABOVE ADDRESS. RETURN COMPLETED FORM TO INSTALLATION LISTED IN SECTION I, BLOCK 1.

SECTION I - TAPP REQUEST SOURCE IDENTIFICATION DATA

1. INSTALLATION

2. SOURCE OF TAPP REQUEST *(Name of Restoration Advisory Board (RAB) or Technical Review Committee (TRC)*

3. CERTIFICATION OF MAJORITY REQUEST

4. DATE OF REQUEST *(YYYYMMDD)*

5. RAB POINT OF CONTACT

a. NAME *(Last, First, Middle Initial)*

b. ADDRESS *(Street, Apt. or Suite Number, City, State, ZIP Code)*

c. TELEPHONE NUMBER *(Include Area Code)*

SECTION II - TAPP PROJECT DESCRIPTION

6. PROJECT TITLE

7. PROJECT TYPE *(Data Interpretation, Training, etc.)*

8. PROJECT PURPOSE AND DESCRIPTION *(State anticipated goals of project and relate to increased understanding/participation in restoration process at the installation. Include descriptions, locations, and timetables of products or services requested.)*

9. STATEMENT OF ELIGIBILITY *(Refer to eligibility criteria in S203.10 and S203.11 of TAPP rule. Note other sources that were considered for this support and state reasons why these sources are inadequate.)*

10. ADDITIONAL QUALIFICATIONS OR CRITERIA TO BE CONSIDERED *(Additional qualifications (beyond those specified in S203.12) a provider should demonstrate to perform the project to the satisfaction of the RAB/TRC. Attach separate statement, if necessary.)*

SECTION III - INSTALLATION COMMANDER/DESIGNATED DECISION AUTHORITY APPROVAL

APPROVED	**11. SIGNATURE**	**12. TITLE**	**13. DATE** *(YYYYMMDD)*
NOT APPROVED			

DD FORM 2749, DEC 1997 (EG) PREVIOUS EDITION IS OBSOLETE. Designed using Perform Pro, WHS/DIOR, Dec 97

APPENDIX A TO PART 203 - Technical Assistance for Public Participation Request Form

SECTION IV - PROPOSED PROVIDER DATA	
14. PROPOSED PROVIDER	
a. NAME	b. ADDRESS *(Street, Apt. or Suite Number, City, State, ZIP Code)*
c. TELEPHONE NUMBER *(Include Area Code)*	
15. PROVIDER QUALIFICATIONS *(Attach separate statement, if necessary. A statement of qualifications from the proposed technical assistance provider will be acceptable.)*	
16. ALTERNATE PROPOSED PROVIDER *(If known. Attach additional pages as required.)*	
a. NAME	b. ADDRESS *(Street, Apt. or Suite Number, City, State, ZIP Code)*
c. TELEPHONE NUMBER *(Include Area Code)*	
17. ALTERNATE PROVIDER QUALIFICATIONS *(Attach separate statement, if necessary. A statement of qualifications from the proposed technical assistance provider will be acceptable.)*	

SECTION V - CONTRACTING OFFICE APPROVAL			
APPROVED	18. SIGNATURE	19. TITLE	20. DATE *(YYYYMMDD)*
NOT APPROVED			

DD FORM 2749 (BACK), DEC 1997

PART 204—USER CHARGES

Sec.
204.1 Reissuance and purpose.
204.2 Applicability.
204.3 Definitions.
204.4 Policy.
204.5 Responsibilities.

204.6 Charges and fees.
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204.8 Legislative proposals.
204.9 Examples of benefits not to be charged under § 204.4(c)(4) of this part.
204.10 Schedule of fees and rates.

AUTHORITY: 31 U.S.C. 483a.

SOURCE: 51 FR 16024, Apr. 23, 1986, unless otherwise noted. Redesignated at 56 FR 64482, Dec. 10, 1991.

§ 204.1 Reissuance and purpose.

This part reissues 32 CFR part 204 and implements the DoD program under 31 U.S.C. 9701, and OMB Circular A–25 for establishing appropriate charges for authorized services provided by DoD organizations.

[51 FR 16024, Apr. 23, 1986. Redesignated and amended at 56 FR 64482, Dec. 10, 1991]

§ 204.2 Applicability.

This part applies to the Office of the Secretary of Defense, the Military Departments, the Organization of the Joint Chiefs of Staff, the Unified and Specified Commands, and the Defense Agencies (hereafter referred to collectively as ''DoD Components''). None of the provisions in this part should be construed as providing authority for the sale or lease of property, or the rendering of special services. Actions to convey such special benefits must be authorized by separate authority. The user charge policy is applicable except when other statutes or directives specifically direct other practices or procedures.

§ 204.3 Definitions.

Recipient. One who requests or receives the benefits of the service(s) provided.

§ 204.4 Policy.

(a) *General.* It is DoD policy not to compete with available commercial facilities (see 32 CFR part 169a) in providing special services or in the sale or lease of property to private parties and agencies outside the Federal Government. However, when a service or sale is made that conveys special benefits to recipients, above and beyond those accruing to the public at large, a reasonable charge shall be made to each identifiable recipient, except as otherwise authorized by the Secretary of Defense. A special benefit will be considered to accrue, and a charge shall be imposed when the service rendered:

(1) Enables the recipient to obtain more immediate or substantial gain or values (which may or may not be measureable in monetary terms) than those which accrue to the general public; or

(2) Is performed at the request of the recipient and is above and beyond the services regularly received by or available without charge to the general public.

(b) *Costing.* (1) A charge shall be imposed to recover the full cost to the Federal Government of rendering a service or the fair market value of such service, whichever is higher. Fair market value shall be determined in accordance with commercial rates in the local geographical area. In the absence of a known market value, charges shall be made based on recovery of full costs to the Federal Government.

(2) When federally owned resources or property are leased or sold, a fair market value shall be obtained. Fair market value shall be determined by the application of sound business management principles and, so far as practicable and feasible, in accordance with comparable commercial practices. Charges based on fair market value need not be limited to the recovery of costs; they may produce net revenues to the Government.

(c) *Exclusions and exceptions.* (1) The provisions of this part do not apply when other statutes or directives require different practices or procedures such as for:

(i) Morale, welfare, and recreation services to military personnel and civilian employees of the Department of Defense and other services provided in accordance with § 204.9.

(ii) Sale or disposal of surplus property under approved programs (See DoD Instruction 7310.1[1]).

(iii) Services furnished the general public relating to, or in furtherance of, the U.S. Armed Forces recruiting program.

[1] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

(iv) Services furnished to representatives of the public information media in the interest of public understanding of the U.S. Armed Forces.

(v) U.S. Armed Forces participation in public events. Charges for such participation are governed by the provisions of 32 CFR part 238.

(vi) Records made available to the public, under the Freedom of Information Act, pursuant to 32 CFR part 286. Charges for such record searches and copies of records are governed by §286.61.

(vii) Services furnished to non-Federal audio-visual media Charges for such services are governed by the provisions of DoD Instruction 5410.15.[2]

(viii) Government-developed computer programs released to non-Federal customers. Charges for software packages are governed by DoD Instruction 7930.2.[3]

(ix) Pricing of performance by industrial fund activities which shall be in accordance with DoD Directive 7410.4.[4]

(2) Charges may be waived or reduced when:

(i) The recipient of the benefits is engaged in nonprofit activity designed for public safety, health, or welfare.

(ii) Payment of the full fee by a state, local government, or nonprofit group would not be in the interest of the program.

(iii) Furnishing of the service without charge is an appropriate courtesy to a foreign country or international organization, or comparable fees are set on a reciprocal basis with a foreign country.

(iv) The incremental cost of collecting the fees would be an unduly large part of the receipts from the activity.

[51 FR 16024, Apr. 23, 1986. Redesignated and amended at 56 FR 64482, Dec. 10, 1991; 63 FR 33248, June 18, 1998; 63 FR 36992, July 8, 1998]

§204.5 Responsibilities.

Head of DoD Components, or designees, shall:

(a) Identify each service or activity covered by this part.

(b) Determine the extent of the special benefit provided.

(c) Determine applicable cost and fair market value.

(d) Establish appropriate charges and collect from recipients of special services.

(e) Grant cost waivers or reductions consistent with guidance in this part.

(f) Recommend to the Comptroller of the Department of Defense necessary additions and revisions to §204.10.

[51 FR 16024, Apr. 23, 1986. Redesignated and amended at 56 FR 64482, Dec. 10, 1991]

§204.6 Charges and fees.

(a) *General.* (1) All charges and fees shall be based on total cost to the U.S. Government or fair market value, whichever is higher. Total cost shall be based on actual cost or replacement cost when property is to be replaced and expense data accumulated in accordance with DoD 7220.9–M.[5] Estimates from the best available records may be used if actual cost or expense data is not available.

(2) Cost accounting systems shall not be established solely for the purpose of determining charges, but the results of existing cost accounting systems shall be used. Total cost shall include all direct and indirect costs (see Chapter 71, DoD 7220.9–M).

(3) Charges and fees established in advance must be projected to the midpoint of the future period. Projected amounts shall be reviewed annually or whenever significant changes in cost or value occur.

(4) Internal management controls (see DoD Directive 5010.38[6] must be established to ensure that charges and fees are developed and adjusted, using current, accurate, and complete data, to provide reimbursement conforming to statutory requirements. Such controls also must ensure compliance with cash management and debt collection policies (see DoD Directive 7045.13[7]).

(b) *Services*—(1) *Basic requirements.* The maximum charge for a special service shall be governed by its total cost or fair market value, whichever is higher, and not by the value of the service, to the recipient. The cost computation shall include the direct and indirect costs to the Government of carrying out the activity. Typically, a service may involve the following:

[2,3,4] See footnote 1 to §204.4(c)(1)(ii).

[5—8] See footnote 1 to §204.4(c)(1)(ii).

(i) Civilian salaries or wages, including the full cost of benefits, such as leave, retirement,and medical and life insurance.

(ii) The full cost of military personnel services, including retirement, other personnel support, leave, and permanent change of station factors.

(iii) The cost of materials, supplies, travel expenses, communications, utilities, equipment and property rental, and maintenance of property and equipment.

(iv) Depreciation expense and interest of investment (currently at a 10 percent annual rate) (OMB Circular No. A–94) in DoD-owned, fixed assets.

(v) Other operational, administrative, and accessorial (DoD Instruction 7510.4 [8] costs incurred by the activity while estabishing standards and regulations and research in support of the service performed, for example.

(2) *Fees and rates.* Fees and rates shall be based on actual costs. The charges for services provided by data processing activities shall be determined by using the costs accumulated pursuant to OMB Circular No. A–121 and Federal Government accounting Pamphlet No. 4 requirements. Fees and rates for recurring services shall be established in advance, when feasible. Recurring services include, but are not limited to, copying, certifying, and researching records, except when those services are excluded or exempted from charges under § 204.4(c) or § 204.9.

(3) *DoD-wide fees and rates.* Section 204.10 provides a schedule of fees and rates for certain services for use throughout the Department of Defense. Recommendations for additions and revisions to the schedule will be made to the Comptroller of the Department of Defense.

(c) *Lease or sale of property.* Charges for lease or sale of property shall be based on a determination of fair market value.

(1) In cases involving the lease or rental of military equipment, when there is no commercial counterpart, fair market value will be based on the computation of an annual rent which will be the sum of the annual depreciation plus interest on investment. The amount of interest on investment is determined by applying the interest rate to the net book value; that is, acquisition cost plus additions less depreciation. The current interest rate in OMB Circular No. A–94 shall be used. Support, if furnished, and applicable general administration expenses will be extra. In determining the value, consideration may be given to the responsibility of the lessee to assume the risk of loss or damage to the property and to hold the Government harmless against claims or liabilities by the lessee or third parties.

(2) In cases involving the sale of property when there is no known fair market value, costs shall be based on the total of the standard price of the item carried in inventory, or the reduced price when so authorized for sale within the Department of Defense and the accessorial and administrative costs computed under DoD Instruction 7510.4.

[51 FR 16024, Apr. 23, 1986. Redesignated and amended at 56 FR 64482, Dec. 10, 1991; 63 FR 33248, June 18, 1998; 63 FR 36992, July 8, 1998]

§ 204.7 Collections.

(a) Collections of charges and fees shall be made in advance of rendering the service, except when preservation of life or property is involved, performance is authorized by law without advance payment, or advance payment is impractical because multiple requests for services are received on a continuing basis from a reliable requester (i.e., consistently prompt payments for services received). When an advance collection exception is approved, an accounts receivable will be established to control collections. The policies in DoD 7220.9–M, DoD Directive 5010.38, and DoD Directive 7045.13 shall be used in accounting, controlling, and managing cash and debt collections.

(1) Collections of fees and charges normally will be deposited to Miscellanous Receipts of the Treasury unless otherwise authorized by law or regulation.

(2) Collections for utilities and services in connection with the lease of property will be deposited to the appropriation or fund responsible for financing the operations of the equipment or facility.

§204.8 Legislative proposals.

In cases where collections of fees and charges for services or property are limited or restricted by provisions of existing law, the DoD Component(s) concerned will submit appropriate remedial legislative proposals under applicable legislative procedures. (See DoD Instruction 5500.4.[9]

[51 FR 16024, Apr. 23, 1986. Redesignated and amended at 56 FR 64482, Dec. 10, 1991; 63 FR 33248, June 18, 1998; 63 FR 36992, July 8, 1998]

§204.9 Examples of benefits not to be charged under provisions of §204.4(c)(4) of this part.

(a) Services requested by members of the U.S. Armed Forces in their capacity as Service members.

(b) Services requested by members of the U.S. Armed Forces who are in a casualty status, or requested by their next of kin or legal representative, or requested by any source, when it relates to a casualty.

(c) The address of record of a member or former member of the U.S. Armed Forces when the address is available readily through a directory (locator) service, and when the address is requested by a member of the U.S. Armed Forces or by a relative or a legal representative of a member of the U.S. Armed Forces or when the address of record is requested by any source for the purpose of paying monies or forwarding property to a member or former member of the U.S. Armed Forces.

(d) Services requested by or on behalf of a member or former member of the U.S. Armed Forces or, if deceased, his or her next of kin or legal representative that pertain to the following:

(1) Information required to obtain financial benefits regardless of the terms of separation from the Service.

(2) Document showing membership and military record in the Armed Forces if discharge or release was under honorable conditions, except as provided in paragraphs (1) and (2) of this section.

(3) Information relating to a decoration or award or required for memorilization purposes.

(4) Review or change in type of discharge or correction of records.

(5) Personal documents, such as birth certificates, when such documents are required to be furnished by the member.

(e) Services that are furnished free in accordance with statutes or executive orders.

(f) Information from or copies of medical and dental records or X-ray films of patients or former patients of military medical or dental facilities, when such information is required and requests for such data are (1) submitted by an accredited medical facility, physician, or dentist; or (2) requested by the patient, his or her next of kin, or legal representative.

(g) Services involving confirmation of employment, disciplinary or other records, and salaries of active or separated civilian or military personnel, when requested by prospective employers or recognized sources of inquiry for credit or financial purposes.

(h) Services requested by and furnished to a Member of Congress for official use.

(i) Services requested by state, territorial, county, or municipal government, or an agency thereof, that is performing a function related to or furthering of a DoD objective.

(j) Services requested by a court, when the service will serve as a substitute for personal court appearance of a military or civilian employee of the Department of Defense.

(k) Services requested by a nonprofit organization that is performing a function related to or furthering an objective of the Federal Government or that is in the interest of public health and welfare, including education.

(l) Services requested by an individual or corporation that is performing a function related to or furthering an objective of the Federal Government, when the cost of such services would be chargeable to a Federal Government contract or grant held by the individual or corporation.

(m) Services requested by donors with respect to their gifts.

(n) Requests for occasional and incidental services (including requests from residents of foreign countries), that are not requested often, when it is

[9] See footnote 1 to §204.4(c)(1)(ii).

determined administratively that a fee would be inappropriate for the occasional and incidental services.

(o) Requests from Federal employees for the completion of claims for reimbursement under the Federal Employees Health Benefit Act of 1959.

(p) Administrative services provided by reference or reading rooms to inspect public records, excluding copies of records or documents furnished.

(q) Requests for military locator service by financial organizations that are located on DoD installations.

(r) Requests for military locator service by financial organizations that are engaged in the direct deposit program and that are not located on DoD installations. Requests for an address of record shall include the following:

(1) A statement that the financial organization is listed as a direct deposit recipient in the current U.S. Treasury Bureau of Accounts, ''Financial Organizations Directory.''

(2) A statement that the individual, whose address is being requested, has his or her pay forwarded as a direct deposit by a DoD disbursing officer.

(3) The individual's financial organization's account number.

(s) Services rendered in response to requests for classification review of DoD classified records, submitted under Executive Order 12065 and implemented by 32 CFR part 159. Such services consist of the work performed in conducting the classification review or in granting and completing an appeal from a denial of declassification following such review.

(t) Services of a humanitarian nature performed in such emergency situations as life-saving transportation for non-U.S. Armed Forces patients, search and rescue operations, and airlift of personnel and supplies to a disaster site. This does not mean that inter- and intra-Governmental agreements to recover all or part of costs should not be negotiated. Rather, it means the recipient or beneficiary will not be assessed a ''user charge.''

[51 FR 16024, Apr. 23, 1986. Redesignated and amended at 56 FR 64482, Dec. 10, 1991]

§ 204.10 Schedule of fees and rates.

This schedule applies to authorized services related to copying, certifying, and searching records rendered to the public by DoD Components, except when those services are excluded or excepted from charges under subsection D.3. of the basic Instruction, or § 204.9. Except as provided in special cases prescribed below, a minimum fee of $3.50 will be levied for processing any chargeable case. Normally only one copy of any record or document will be provided.

Requests Involving

(a) *Training and education (copies of documents required for other than official purposes):*

	Fee
(1) Transcripts:	
First copy	$3.50
Each additional copy (includes requests for transcripts of graduation from military academies and schools)	.45
(2) Certificates:	
First copy	3.50
Each additional copy (includes all requests for certificates, verification of attendance, and course completion from service schools and other facilities	.45

(b) *Medical and dental records of patients and former patients (when requested for purposes other than further medical treatment).* Covers requests for information from or copies of medical records, including clinical records (inpatient records of military and non-military patients), health records (military outpatient records), outpatient records (non-Military outpatient records), dental records, and loan of x-rays.

(1) Searching and processing (per hour)	$13.25
Minimum charge	8.30
(2) Each typewritten page	3.50
(3) Office copy reproductions (per image)	0.10
(4) Copy or loan of each x-ray	8.50

(c) *Military membership and record (excluding medical and dental records).*

(1) Address of record, each	$3.50

(2) Copies of releasable military personnel records (e.g., effectiveness reports for officers and enlisted personnel) reproduced for the personal use of

active, retired, and former members, next of kin of missing-in-action or deceased members of the Armed Forces.

Minimum charge (up to six reproduced images) $3.50
Each additional image ..... .10
Statement of verification of Service or report of separation for individusls with other than honorable discharges 5.20

(d) *Photography*—(1) *Still pictorial or documentary photographic prints.* Unlisted standard sizes of prints may be furnished, if available, at prevailing contract or activity rates.

	Price per print (quantity)			
	1 to 9	10 to 20	21 to 50	50+
Single weight (RC type) paper:				
8″ x10″	$4.50	$3.25	$2.50	$1.75
11″ x14″	9.00	7.00	5.00	4.00
16″ x20″	19.00	15.00	12.00	9.50
20″ x24″	30.00	25.00	20.00	15.00
Single weight color paper:				
8″ x10″	11.00	7.50	3.50	3.00
11″ x14″	17.00	9.00	6.50	5.50
16″ x20″	35.00	25.00	14.00	11.50
35mm color transparency slide made from color negative	5.00	3.50	3.00	3.00
35mm duplicate from 35mm slide	1.00	.60	.50	.45
Print mounted on 16″ x20″ cardboard + unit price of print	8.00	.....	.....	.....
Print mounted on 20″ x24″ cardboard + unit price of print	12.00	.....	.....	.....
Color transparencies (first); 16.00 each additional:				
8″ x10″	20.00	.....	.....	.....
4″ x5″	4.50	.....	.....	.....
4″ x5″ B&W negative	2.00	.....	.....	.....
70mm color negative	7.50	.....	.....	.....

NOTE: Prices may vary by 20% of these average charges based on local inhouse labor, equipment, and supply (raw stock) costs.

(2) *Motion Picture:*

	Price per foot contact
Color:	
16mm work print (positive work print from an original negative)	$0.20
16mm reversal work print	.20
16mm color master (''A'' roll)	.60
16mm duplicate negative (from master positive)	.60
16mm reversal duplicate negative	.85
16mm internegative (from reversal original)	.70
16mm short rolls (under 100 ft) + basic price	.10
16mm tab-to-tab printing + basic price	.20
Black and white:	
16mm work print (negative/positive)	.10
16mm master positive (fine grain)	.25
16mm duplicate negative	.25
16mm short rolls (under 200 ft) + basic price	.10
16mm tab-to-tab printing + basic price	.10

(3) *Miscellaneous:*

Magnetic tape—dub from 16mm film + raw stock $65.00
Searching (per hour or fraction thereof) 18.00
Minimum charge per film order (including search) 35.00
16mm film to videotape (broadcast quality tape format per hour) + raw stock 275.00
Minimum charge for film to videotape transfer + raw stock 140.00

Aerial photographic print processing prices will be determined by the local DoD-operated lab due to limited availability.

35mm film processing for motion pictures is not done in-house by the DoD. Charges for this type of processing will be at prevailing contract rates on a case-by-case basis.

(e) *Construction and engineering information.* Copies of aerial photograph maps, specifications, permits, charts, blueprints, and other technical engineering documents.

(1) Searching, per hour or fraction thereof (including overhead costs) $13.25
(2) First print 2.50
(3) Each additional print of same document 0.85

(f) *Copies of medical articles and illustrations.* Standards contained in the basic Instruction will be utilized in computing costs.

(g) *Claims, litigation.* Copies of documents required for other than official purposes. (Includes court-martial records furnishing information from Report of Claims Investigations; e.g., automobile collision investigations and safety reports.) Requests pertaining to private litigation and to cases in which the United States is a party and where court rules provide for reproduction of records without cost to the Government (if not covered in 2. or 3., above).

(1) Searching and processing (per hour).....$13.25
Minimum charge.....8.30

NOTE: Charges for professional search or research will be made in accordance with 10.b., below.

(2) Office copy reproduction (minimum for six pages or less).....$3.50
(3) Each additional image.....0.10
(4) Certification and validation with seal, each.....5.20

(h) *Publications and forms.* A search and/or processing fees, as described in 10.a., below, will be made for requests requiring extensive time (one hour or more).

(1) *Shelf stock.* (Requesters may be furnished more than one copy of publication or form if it does not deplete stock levels below projected planned usage.)

(i) Minimum fee per request (six pages or less).....$3.50

Plus:

(A) Form, per copy.....$.10
(B) Publications, per printed page.....02
(C) Microfiche, per fiche.....10

(ii) (Examples: Cost of 20 forms, $5.50; cost of a publication with 100 pages, $5.50; cost of microfiche publication consisting of 10 fiches, $4.50)

(2) Office copy reproduction (when shelf stock is not available):

(i) Minimum fee per request (six pages or less).....$3.50
(ii) Each additional page.....10
(iii) Minimum charge first fiche.....8.70
(iv) Each additional fiche.....20

(i) *Engineering data (microfilm)*—(1) *Aperture cards.*

(i) Silver duplicate negative, per card.....$0.75
When keypunched and verified, per card.....85
(ii) Diazo duplicate negative, per card.....65
When keypunched and verified, per card.....75
(2) 35mm roll film, per frame.....0.50
(3) 16mm roll film, per frame.....0.45
(4) Paper prints (engineering drawings), each.....1.50
(5) Paper reprints of microfilm indices, each.....0.10

(j) *General.* Charges for any additional services not specifically provided above, consistent with the provisions of the basic Instruction, will be made by the respective DoD Components at the following rates:

(1) Clerical search and processing, per hour.....$13.25
Minimum charge.....8.30
(2) Professional search or researching (To be established at actual hourly rate prior to search. A minimum charge will be established at ½-hourly rates.).....
(3) Minimum charge for office copy reproduction (up to six images).....3.50
(4) Each additional image.....0.10
(5) Each typewritten page.....3.50
(6) Certification and validation with seal, each.....5.20
(7) Hand-drawn plots and sketches, each hour or fraction thereof.....12.00

[51 FR 16024, Apr. 23, 1986. Redesignated and amended at 56 FR 64482, Dec. 10, 1991]

PART 205—END USE CERTIFICATES (EUCs)

Sec.
205.1 Purpose.
205.2 Applicability.
205.3 Definitions.
205.4 Background and policy.
205.5 Responsibilities.
205.6 Procedures.

AUTHORITY: 10 U.S.C. 131.

SOURCE: 56 FR 64194, Dec. 9, 1991, unless otherwise noted.

§ 205.1 Purpose.

This part:

(a) Supersedes the Deputy Secretary of Defense Memorandum, ''End Use Certificates,'' April 9, 1991.

(b) Establishes policies, assigns responsibilities, and prescribes procedures for signing EUCs on foreign defense items.

§ 205.2 Applicability.

This part applies to the Office of the Secretary of Defense; the Military Departments; the Chairman of the Joint Chiefs of Staff and the Joint Staff; the Unified and Specified Commands; the Office of the Inspector General, Department of Defense; the Defense Agencies; and the DoD Field Activities (hereafter referred to collectively as ''DoD Components'').

§205.3 Definitions.

(a) *End Use Certificate (EUC).* For the purposes of this part, a written agreement in connection with the transfer of military equipment or technical data to the United States that restricts the use or transfer of that item by the United States.

(b) *Use for defense purposes.* Includes direct use by or for the U.S. Government in any part of the world and transfer by means of grant aid, International Military Education and Training (IMET) programs, Foreign Military Sales (FMS), and other security assistance and armaments cooperation authorities.

§205.4 Background and policy.

This part is intended to authorize the execution of EUCs when such a certificate is necessary to facilitate purchases of foreign products when the purchase of such products is in the best interest of the United States.

(a) The Military Departments and other DoD Components purchase products produced by allies and friendly countries and participate in cooperative development programs to promote interoperability, standardization, and an expanded procurement base, and to obtain products that best meet U.S. needs at the lowest cost.

(b) U.S. worldwide security responsibilities are extensive and recognition of these special circumstances has resulted in long-time acceptance in international agreements, by allies and friends, of the need for flexibility in the authorized uses or transfer of purchased or co-developed articles and data. In various circumstances, international agreements have recognized that permissible use of an item or data for U.S. ''defense purposes'' as defined in §205.3(b).

(c) Consistent with paragraphs (a) and (b) of this section, DoD Components may sign EUCs, in accordance with the policy and procedures outlined below. While most EUCs requested by foreign governments use general language, their effects may be divided into three categories, as described in the following paragraphs. Authority to approve their execution is limited as follows:

(1) Category I. Secretaries of the Military Departments and Directors of Defense Agencies may authorize EUCs:

(i) For acquisition of items classified for security purposes by a foreign government.

(ii) For the acquisition of items covered by the nonproliferation agreements to which the United States is a party, such as missile technology, or

(iii) That permit the item to be ''used for defense purposes'' as defined in §205.3(b), by the United States.

(2) Category II. EUCs that are not Category I or III are Category II. Secretaries of the Military Departments and Directors of Defense Agencies may authorize Category II EUCs only after a determination is made through the coordination procedures set forth in §205.6(a)(1) that, notwithstanding the use or transfer limitations, the purchase is in the U.S. national interest. The least restrictive provisions possible should be negotiated.

(3) Category III. Secretaries of Military Departments and Directors of Defense Agencies may not authorize the signature of EUCs which limit the right:

(i) For use by or for the U.S. Government in any part of the world, or

(ii) To provide the item to allies engaged together with the United States in armed conflict with a common enemy. Waivers to this prohibition may be granted by the Under Secretary of Defense (Acquisition) (USD(A)). Procedures for requesting such waivers are at §205.6(a)(1).

§205.5 Responsibilities.

(a) The Under Secretary of Defense (Acquisition) shall:

(1) Monitor compliance with this part.

(2) Develop procedures to ensure timely review of Category II and III items with the Under Secretary of Defense for Policy (USD(P)).

(3) Upon obtaining the concurrence of the USD(P), waive the restrictions in §205.4(c)(3) when purchase of the item is in the national interest.

(4) When requested, and in coordination with the USD(P), assist the Military Departments and Defense Agencies in negotiating the elimination or

amelioration of an EUC's restrictive language.

(b) The Under Secretary of Defense for Policy shall:

(1) Consult with the USD(A) on waivers authorized by this part and, if appropriate, coordinate with the Department of State.

(2) When requested, and in coordination with the USD(A), assist the Military Departments and Defense Agencies in negotiating the elimination or amelioration of the EUC's restrictive language.

(3) Develop procedures for coordination and review of EUC's internally and with the Department of State.

(4) Establish, with the concurrence of the USD(A), specific acceptable end use restrictions in addition to those set forth in Category I, which shall be added immediately to Category I and a corresponding administrative change made to § 205.4(c)(1).

(c) The Secretaries of the Military Departments and the Directors of the Defense Agencies shall:

(1) Authorize the execution of Category I and II EUCs in accordance with the procedures outlined in § 205.6. This responsibility may not be delegated by the Directors of Defense Agencies; it may be delegated by Secretaries of the Military Departments to civilian officers of their respective departments appointed by the President with the advice and consent of the Senate. Once EUC execution is authorized, the Director of a Defense Agency, or Military Department civilian official who has been delegated authorization authority may delegate the authority to sign individual EUCs.

(2) Establish procedures to ensure compliance with this part. These procedures should ensure compliance, for the life of the purchased item, with the transfer or use restrictions agreed to in signing an EUC. They should also ensure 21-calendar day notification to USD(A) before authorizing the execution of a Category II EUC.

§ 205.6 Procedures.

(a) Procedures for the three categories of EUCs established in § 205.4(c) are:

(1) Category I. Secretaries of the Military Departments and Directors of Defense Agencies may authorize Category I EUCs.

(2) Category II. Not less than 21 calendar days before authorizing the execution of a Category II EUC, Military Departments and Defense Agencies shall provide notification to the USD(A). The notification will contain a description of the item and the limitations to be imposed by the exporting government. The USD(A) shall coordinate with the USD(P), providing at least 14 days for review. If appropriate, the USD(P) shall coordinate with the Department of State. The USD(A) shall notify the submitting DoD Component of any further action required before final authorization of the EUC; otherwise, concurrence may be assumed after expiration of the 21-day period.

(3) Category III. To acquire an item requiring a Category III EUC, the Secretary of a Military Department or Director of a Defense Agency must request a waiver from the USD(A). Requests for waivers should specify:

(i) Why it is in the interest of the U.S. Government to procure the item.

(ii) The limitations to be imposed by the exporting government and a justification for acceptance of those limitations by the U.S. Government.

(iii) A statement that no satisfactory alternative to the item, considering cost, schedule, or operational requirements, is available from domestic or foreign sources without equivalent limitations.

The USD(A) shall coordinate the waiver with the USD(P), who, if appropriate, shall then coordinate with the Department of State. USD(A) shall notify the submitting DoD Component of the results.

(b) Copies of signed EUCs of all three categories shall be provided promptly to USD(A).

(c) A record of any waivers or modifications of this policy shall be maintained by the USD(A).

PART 206—NATIONAL SECURITY EDUCATION PROGRAM (NSEP) GRANTS TO INSTITUTIONS OF HIGHER EDUCATION

Sec.

206.1 Major characteristics of the NSEP institutional grants program.

206.2 Eligibility.
206.3 Overall program emphasis.
206.4 Proposal development and review.
206.5 Final proposal process.

AUTHORITY: 20 U.S.C. 1141(a).

SOURCE: 59 FR 26116, May 19, 1994, unless otherwise noted.

§206.1 Major characteristics of the NSEP institutional grants program.

(a) The Institutional Grants Program provides support in the form of grants to U.S. institutions of higher education. During the 1994–95 and 1995–96 academic years, a program of pilot grants is being initiated with an annual competition for grants held during the spring of each year. Grants to institutions will complement NSEP scholarship and fellowship programs. NSEP encourages the development of programs and curricula which:

(1) Improves the quality and infrastructure of international education;

(2) Addresses issues of national capacity; and

(3) Defines innovative approaches to issues not addressed by NSEP scholarship and fellowship programs.

(b) The NSEP Grants Program is designed to address a number of important objectives critical to the United States:

(1) To equip Americans with an understanding of less commonly taught languages and cultures and enable them to become integrally involved in global issues.

(2) To build a critical base of future leaders in the marketplace and in government service who have cultivated international relationships and worked and studied along-side foreign experts.

(3) To develop a cadre of professionals with more than the traditional knowledge of language and culture who can use this ability to help the U.S. make sound decisions and deal effectively with global issues; and

(4) To enhance institutional capacity and increase the number of faculty who can educate U.S. citizens toward achieving these goals.

(c) Grants will be awarded for initial 1- or 2-year periods. Potential follow-on commitments will be based on a rigorous evaluation and assessment process. Between 15 and 25 awards are expected to be made in the first year ranging from approximately $25,000 to $250,000. These are only estimates and do not bind the NSEP to a specific number of grants or to the amount of the grant.

(d) The following key characteristics will be emphasized in the NSEP Institutional Grants Program:

(1) *Programmatic in emphasis.* The purpose of the grants is to address weaknesses and gaps in programs and curricula. The grants should be used to strengthen the national capacity in international education. While ''operational'' support for already existing centers and projects may be a component of a grant, NSEP emphasizes commitment of its limited resources to projects that establish and improve educational programs available to students and teachers.

(2) *Demand and requirements oriented.* Grants are designed to address national needs. These needs must be clearly articulated and defended in a grant proposal. It must be clear that the following questions are addressed:

(i) Who will benefit from the program funded by the grant?

(ii) What need does the program address?

(iii) How will this program augment the capacity of the Federal Government or of the field of education in areas consistent with the objectives of the NSEP? How does it fit the national requirement?

(3) Cooperation and collaboration among institutions is mandated in order to ensure that a wider cross-section of colleges and universities benefit from a program funded under NSEP. NSEP is committed to providing opportunities to the widest cross-section of the higher education population as is feasible. Cooperation can be in the form of formal consortia arrangements or less formal but equally effective agreements among institutions. Both vertical (among different types of institutions) and horizontal (among similar institutions across functional areas) integration are encouraged. Outreach to institutions that do not normally benefit from such programs is also strongly favored.

(4) Complementary to other Federal programs such as Title VI of the Higher Education Act. NSEP is designed to address gaps and shortfalls in Higher

Education and to build and expand national capacity. NSEP recognizes that base capacity currently exists in some foreign languages and area studies. It also recognizes that funding shortfalls and other factors have contributed to tremendous gaps and weaknesses. Funding for expansion of the international education infrastructure remains limited. Duplication of effort is not affordable. NSEP encourages new initiatives as well as expansion of existing programs to increase supply in cases where the demand cannot be met and encourages efforts that increase demand.

(5) NSEP encourages proposals that address two categories of issues relating to the mission of NSEP:

(i) Programs in specific foreign languages, countries or areas; and/or

(ii) Programs addressing professional, disciplinary and/or interdisciplinary opportunities involving international education.

(6) NSEP views student funding as portable and hopes that universities will develop ways to move students to programs and to provide credit with these programs. NSEP believes that programs need to be developed that are available to a wider cross-section of students. Thus, they need to be ''open'' to students from other institutions. Programs might also be ''transportable'' from one institution to another.

(7) NSEP emphasizes leveraging of funds and cost-sharing in order to maximize the impact of NSEP funding. It encourages institutions to seek other sources of funding to leverage against NSEP funding and to commit institutional resources in support of the program as well. NSEP also emphasizes burden sharing between the institution and the Program. NSEP encourages institutions to demonstrate a commitment to international education and to present a plan for how funding for the proposed program will be achieved over a 3–5 year period so that NSEP can reduce its financial commitment to programs. The funds requested from NSEP should minimize costs allocated to unassigned institutional ''overhead.'' NSEP institutional grants are assumed to be for training programs. Consequently, university/college indirect costs associated with training programs should be used as a general benchmark for determining appropriate overhead rates.

(8) NSEP encourages creativity and is responsive to the needs of higher education to expand the capacity to provide more opportunities for quality international education. We do not suggest that the guidelines presented in the grant solicitation will cover all problems and issues. Quite to the contrary, we encourage careful consideration of issues confronting international education in the U.S. and thoughtful proposals that address these issues, consistent with the overall mission of the NSEP.

§ 206.2 Eligibility.

Any accredited U.S. institution of higher education, as defined by section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)), may apply for and receive a grant. This includes 2- and 4-year colleges and universities, both public and private. Other organizations, associations, and agencies may be included in proposals but may not be direct recipients of a grant. Foreign institutions may also be included in a proposal but may not be direct recipients of a grant. Only U.S. citizens and U.S. institutions may receive funds through a grant awarded by the NSEP.

§ 206.3 Overall program emphasis.

(a) The NSEP grants to institutions program focuses on two broad program areas that reflect the challenges to building the infrastructure for international education in U.S. higher education:

(1) Development and expansion to quality programs in overseas locations.

(i) Programs that offer important opportunities for U.S. students, both undergraduate and graduate, to study in critical areas under-represented by U.S. students, and

(ii) Development of meaningful competencies in foreign languages and cultures.

(2) Development and implementation of programs and curricula on U.S. campuses that provide more opportunities for study of foreign languages and cultures and the integration of these studies into overall programs of study.

(b) *Addressing the need for improving study abroad infrastructure.* The NSEP encourages the study of foreign cultures and languages typically neglected or under-represented in higher education. In the foreign language field these are generally referred to as less commonly taught languages. In area studies, these are generally defined as non-Western European in focus. An integral part of any student's international education is a quality study abroad experience that includes a significant portion devoted to gaining functional competence in an indigenous language and culture. Unfortunately, there are only limited opportunities to study abroad in many foreign areas. In addition, many programs lack a quality foreign language component as well as significantly experiential components. Historically, more attention has been paid to the development of programs in Western Europe where the student demand has been greater. NSEP hopes to encourage, through institutional grants, the development and/or expansion of infrastructure for study abroad in critical areas of the world where capacity does not currently exist. Programs are encouraged that:

(1) Expand program opportunities in critical countries where limited opportunities currently exist.

(2) Establish program opportunities in critical countries where no opportunities exist.

(3) Enhance meaningful opportunities for foreign language and foreign culture acquisition in conjunction with study abroad.

(4) *Create and expand study abroad opportunities for students from diverse disciplines.* In all cases, grants to develop study abroad infrastructure must address issues of demand (how to increase demand for study in the proposed countries or regions) and diversity (how to attract a diverse student population to study in the proposed countries or regions). Grants may support start-up of programs or the expansion of a program's capacity to benefit more and/or different student or to improve the quality of study abroad instruction. Proposals can address issues concerning either or both issues of undergraduate and graduate education.

(c) *Addressing the infrastructure for international education in U.S. higher education.* While studying abroad is an integral part of becoming more proficient in one's understanding of another culture and in becoming more functionally competent in another language, the NSEP also emphasizes the development and expansion of programs that address serious shortfalls that provide a stronger domestic program base in areas consistent with the NSEP mission. The NSEP encourages grant proposals that address infrastructure issues. While not limited to these areas, programs might address the following issues:

(1) *Enhancing foreign language skill acquisition through innovative curriculum development efforts.* Such efforts may involve intensive language study designed for different types of students. Less traditional approaches should be considered as well as ways to provide foreign language instruction for the student who may not otherwise have an opportunity to pursue such instruction. Functional competency should be stressed but defined as meaningful for the particular discipline or field.

(2) *Expanding opportunities for international education in diverse disciplines and fields and in issues that are cross-area or cross-national in character.* Efforts are encouraged that offer opportunities for meaningful international education for those in fields where opportunities are not generally available. There are many fields and disciplines that are rapidly becoming international in scope, yet the educational process does not include a meaningful international component. In many cases this is due to a rigid structure in the field itself that cannot accommodate additional requirements, such as language and culture study. There are also issues that involve cross-area or cross-national education or are studied in comparative terms. Students in these areas also need quality opportunities in international education.

(3) *Provide opportunities for programmatic studies throughout an undergraduate or graduate career.* Students frequently study a foreign language or pursue study abroad opportunities as adjuncts to their overall program of study. Innovations in curriculum are

needed to more thoroughly integrate aspects of international education into curriculum throughout a student's undergraduate or graduate career. The NSEP encourages institutions to address these overall international education curriculum issues in their proposals.

(4) *Provide opportunities to increase demand for study of foreign areas and languages.* Efforts to develop educational programs that offer innovative approaches to increasing demand to include a meaningful international component are encouraged. Proposals are encouraged to address issues of diversity: how to attract students who have historically not pursued opportunities involving international education. Diversity includes geographical, racial, ethnic, and gender factors.

(5) *Improve faculty credentials in international education.* Efforts to create more opportunities for teachers to become competent in foreign cultures and languages are encouraged. While NSEP is a higher education program, it is interested in the potential dynamics of collaborative efforts that recognize the shared responsibility of all educational levels for promoting international education.

(6) *Uses of new technologies.* During the last decade tremendous advances have been made in the application of new educational technologies. Such technologies have enhanced our capacity to improve instruction, broaden access, and assess student learning. NSEP's objective is not to support large technology oriented projects. However, NSEP encourages efforts that integrate innovative uses of technology emphasizing how proposed programs will have significance beyond a local setting. Proposals that include proposed uses of technology will be required to demonstrate detailed knowledge of the technology, how it is to be developed and applied and how student learning will be impacted.

§ 206.4 Proposal development and review.

The purpose of this section is to explain the NSEP review process. [NOTE: A number of important approaches to proposal development and review have been adapted from guidelines developed by the Department of Education's Office of Postsecondary Education for its ''Fund for the Improvement of Postsecondary Education (FIPSE)''.] This information if intended to aid institutions in the development of proposals and to provide guidance concerning the criteria that may be used in reviewing and evaluating proposals.

(a) The grants to institutions program will be administered by the National Security Education Program Office (NSEPO). However, the NSEPO will function as an administrative office much in the same manner as the Institute of International Education and the Academy for Educational Development function in administering NSEP scholarship and fellowship programs, respectively. The NSEPO will not review or evaluate proposals. The proposals will be reviewed and evaluated by national screening panels.

(b) The NSEP will use a two-stage review process in order to evaluate a broad range of proposal ideas. In the first stage, applicants will submit a five-page summary (double-spaced) of their proposal. An institution may submit more than one proposal, but each proposal should be submitted and will be evaluated separately and independently.

(c) NSEP expects competition for grants to be intense. By implementing a two-stage process, potential grantees are given an opportunity to present their ideas without creating a paperwork burden on both the proposal authors and the reviewers.

(d) *The preliminary review process.* The review of preliminary proposals will be undertaken by panels of *external* reviewers, *not* members of the NSEPO. Panels of not less than three will be assembled to review preliminary proposals. Panel members will be drawn primarily from faculty and administration in higher education but might also include representatives from the research, business, and government communities. Every effort will be made to ensure balance (geographical, ethnic, gender, institutional type, subject matter) across the entire competition.

(e) Panel members will reflect the nature of the grants program. Each panel will include a recognized expert in a field of international education.

Other panelists may include experts in area studies, foreign language education, and other fields and disciplines with an international focus.

(f) Preliminary proposals will be reviewed according to a set of criteria developed in consultation with representatives from higher education, and provided to the panels. The applicant shall, at a minimum, deal with the following issues in the preliminary proposal:

(1) How the proposal addresses issues of national capacity in international education.

(2) What area(s), language(s), and discipline(s) the proposal addresses and the importance of these to U.S. national capacity.

(3) What the applicant is proposing to do.

(4) How the proposal deals with the key characteristics of the NSEP.

(5) Demonstration of thorough knowledge of the state of the art in the particular area of the proposal and how this proposal develops or builds capacity, not duplicates existing capacity.

(g) The applicant must also include a budget estimate. This budget estimate, for the first year of the proposal, must include the following:

(1) A summary of anticipated direct costs including professional salaries, funds for students, travel, materials and supplies, consultants, etc., and how or why these costs are needed.

(2) An estimate of institutional indirect costs. The budget estimate must also indicate whether funding is also being requested for a second year and, if so, an estimate of the amount to be requested.

(h) Panelists will review and rank proposals and forward their recommendations to the NSEPO. NSEPO will review and analyze these recommendations and inform all applicants of decisions.

§206.5 Final proposal process.

NSEPO will provide detailed comments on proposals to all applicants who are invited to prepare a final proposal.

(a) Final proposals should be limited to no more than 25 double-spaced pages. Proposals will be reviewed by national panels constructed similarly to those designed to review preliminary proposals. In addition to a field review process, panelists will be assembled in Washington D.C. to discuss and review the independent and competing merits of proposals.

(b) Proposals will be evaluated in two basic categories:

(1) Proposals that address study abroad infrastructure and

(2) Proposals that address domestic infrastructure. Should proposals deal with both of these issues, they will be evaluated in a third category. This grouping of proposals will ensure that all categories of proposals receive funding consideration.

(c) In general, final proposals will be considered on the following selection criteria:

(1) *Importance of the problem.* Each proposal will be evaluated according to the merit of how it addresses issue(s) of national capacity. The proposal must articulate the importance of the problem it addresses, how the proposal addresses issues of national capacity in international education, and how it is consistent with the objectives of the NSEP.

(2) *Importance of proposed foreign language(s), foreign area(s), field(s) or discipline(s).* The proposal will be evaluated according to how well it articulates the need for programs in the proposed areas, languages, fields, or disciplines.

(3) *Identification of need and gaps/shortfalls.* The proposal will be evaluated according to its persuasiveness in identifying where the needs exist and where serious shortfalls exist in the capacity to fill the need. The proposal should clearly identify why these gaps exist and provide a strong indication of familiarity with the state of the field in the proposal area.

(4) *Cost effectiveness.* Proposals will be evaluated on the basis of ''educational value for the dollar.'' NSEP is interested in funding proposals in areas where other funding is limited or in areas where NSEP funding can significantly augment or complement other sources. NSEP is not interested in replacing funds available from other sources or in duplicating other efforts. Also, NSEP is interested in projects whose dollar levels and long-range

budget plans provide for realistic continuation by the grantee institution and adaptation by other institutions. NSEP is interested in proposed approaches to leveraging other funds against the proposed project.

(5) *Evaluation plans.* Proposals will be evaluated on their approach to measuring impact. What impact will the proposed program have on national capacity? How will the proposed program deal with assessing language and foreign cultural competency? In the case of study abroad programs, how will the success and impact of study abroad experiences be assessed. Proposals should not defer the consideration of these issues to a latter stage of the effort. Evaluation and assessment should be an integral part of the entire proposal effort.

(6) *Prospects for wider impact.* Proposals must address national needs and will be evaluated according to how well they are likely to address these needs. What component of the higher education community does the proposal address? How diverse a student population will the proposed program address? What applications to other institutions will be made available, either directly or indirectly, because of the proposed program?

(7) *Capacity and commitment of the applicant.* The proposal will be evaluated according to the evidence provided on the commitment of the institution, and other institutions, to the proposed project. What other institutions are involved and what is their commitment. If there are commitments from foreign institutions, what is the evidence of this commitment? Are their plans for the institution to integrate the efforts of the proposed program into the educational process? What plans are there for eventual self-support? As with many other similar programs, NSEP is particularly interested in the degree to which the institution is willing to bear a reasonable share of the direct and indirect costs of the proposed project.

(d) Applicants should also indicate if they currently receive or are seeking support from other sources. Applicants should indicate why support from NSEP is appropriate, if other sources are also being sought.

PARTS 207–209 [RESERVED]

PART 210—ENFORCEMENT OF STATE TRAFFIC LAWS ON DOD INSTALLATIONS

Sec.
210.1 Purpose.
210.2 Applicability and scope.
210.3 Policy.
210.4 Responsibilities.

AUTHORITY: 63 Stat. 377, as amended, 18 U.S.C. 13; 40 U.S.C. 318a through d., 40 U.S.C. 612.

SOURCE: 46 FR 58306, Dec. 1, 1981, unless otherwise noted.

§ 210.1 Purpose.

This part establishes policies pursuant to the requirements of DoD Directive 6055.4,[1] ''Department of Defense Traffic Safety Program,'' November 7, 1978, and to authority delegated to the Secretary of Defense under Enclosure 1 for the enforcement, on DoD military installations, of those state vehicular and pedestrian traffic laws that cannot be assimilated under U.S.C., Title 18, section 13.

[46 FR 58306, Dec. 1, 1981, as amended at 56 FR 13285, Apr. 1, 1991]

§ 210.2 Applicability and scope.

(a) The provisions of this part apply to the Office of the Secretary of Defense, the Military Departments, the Organization of the Joint Chiefs of Staff, the Unified and Specified Commands, and the Defense Agencies.

(b) The provisions encompass all persons who operate or control a motor vehicle or otherwise use the streets of a military installation over which the United States exercises exclusive or concurrent legislative jurisdiction.

(c) The provisions govern only vehicular and traffic offenses or infractions that cannot be assimilated under 18 U.S.C. 13, thereby precluding application of state laws to traffic offenses committed on military installations.

[1] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

§210.3 Policy.

(a) It is the policy of the Department of Defense that an effective, comprehensive traffic safety program be established and maintained at all military installations as prescribed in DoD Directive 6055.4.[1]

(b) State vehicular and pedestrian traffic laws that are now or may hereafter be in effect shall be expressly adopted and made applicable on military installations to the extent provided by this part. All persons on a military installation shall comply with the vehicular and pedestrian traffic laws of the state in which the installation is located.

(c) Pursuant to the authority established in the Enclosure 1 to DoD Directive 5525.4[2], installation commanders of all DoD installations in the United States and over which the United States has exclusive or concurrent legislative jurisdiction are delegated the authority to establish additional vehicular and pedestrian traffic rules and regulations for their installations. All persons on a military installation shall comply with locally established vehicular and pedestrian traffic rules and regulations.

(d) A person found guilty of violating, on a military installation, any state vehicular or pedestrian traffic law or local installation vehicular or pedestrian traffic rule or regulation made applicable to the installation under the provisions of this part is subject to a fine of not more than $50 or imprisonment for not more than 30 days, or both, for each violation (40 U.S.C. 318c).

(e) A copy of this part shall be posted in an appropriate place on the DoD installation concerned.

[46 FR 58306, Dec. 1, 1981, as amended at 56 FR 13285, Apr. 1, 1991; 56 FR 42939, Aug. 30, 1991]

§210.4 Responsibilities.

(a) The Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics) shall modify this part as appropriate.

(b) Secretaries of the Military Departments shall comply with this part.

[2] See footnote 1 to §210.1.

PART 211—DoD FOREIGN TAX RELIEF PROGRAM

Sec.

211.1 Reissuance and purpose.
211.2 Applicability and scope.
211.3 Definitions.
211.4 Policy.
211.5 Responsibilities.
211.6 Country tax law studies.
211.7 Information requirements.

AUTHORITY: 5 U.S.C. 301 and 10 U.S.C. 133.

SOURCE: 44 FR 50598, Aug. 29, 1979, unless otherwise noted.

§211.1 Reissuance and purpose.

This part (a) is reissued without substantive change, to correct superseded references; and (b) defines the tax relief policy of the Department of Defense, designates the organizational element which has continuing responsibility for the overall direction of the DoD Foreign Tax Relief Program, delineates the responsibilities of other organizational elements to implement and monitor the program, and requires the preparation and maintenance of specified foreign country tax law studies in order to facilitate the institution of statistical reporting procedures.

§211.2 Applicability and scope.

(a) The provisions of this part apply to the Office of the Secretary of Defense, the Military Departments, the Organization of the Joint Chiefs of Staff, the Unified Command, and the Defense Agencies (hereafter referred to as ''DoD Components'').

(b) The policy set forth in this part applies to:

(1) Military functions expenditures by the Department of Defense, and

(2) Expenditures by nonappropriated fund activities of the Department of Defense that are subject to taxes imposed by:

(i) Foreign countries in which U.S. military forces are regularly stationed (other than attache and other military personnel assigned to a U.S. diplomatic mission); and

(ii) Any other foreign country in which all or most U.S. defense activities, in a collective sense, are conducted in the interest of the common

defense or otherwise significantly improve the military security of that country.

(c) The policy set forth in this part also applies to Military Assistance Program (MAP) expenditures in all countries.

§ 211.3 Definitions.

(a) Regardless of how a charge is denominated in foreign law or regulation, the words ''tax'' and ''taxes'' include all direct or indirect foreign customs duties, import and export taxes, excises, fees and other charges imposed at the national, local or intermediate level of a foreign country other than charges for services rendered or for other consideration received.

(b) For example, taxes include but are not limited to purchase tax, sales tax, use tax, gross receipts tax, stamp tax, transfer tax, transaction tax, turnover tax, value added tax, service tax, trade tax, business tax, license tax, transportation tax, circulation tax, luxury tax, possession tax, production tax, registration tax, consumption tax, gasoline tax, real property tax, personal property tax, and gross income tax.

(c) The word ''relief'' includes any method, technique, or procedure by which the ultimate economic burden of a tax on DoD funds may be avoided or otherwise remedied, such as exemption, refund, or drawback.

§ 211.4 Policy.

It is the policy of the Department of Defense to secure, to the maximum extent practicable, effective relief from all foreign taxes wherever the ultimate economic burden of those taxes would, in the absence of such relief, be borne by funds appropriated or allocated to the Department of Defense (including MAP appropriations) or under the control of its nonappropriated fund activities. In those cases in which the total economic burden of a tax not readily identifiable in the normal course of business is so small that it may be considered a *de minimis* matter, or in which the administrative burden of securing effective relief from a tax in a particular instance would be out of proportion to the amount of the relief obtained, tax relief shall be considered impracticable.

§ 211.5 Responsibilities.

(a) The *General Counsel of the Department of Defense* shall:

(1) Provide overall supervision and direction of the DoD Foreign Tax Relief Program.

(2) Resolve any significant issues relating to the program.

(3) Designate those countries that come within § 211.2(b)(2)(ii) of this part.

(4) Direct the preparation of country tax law studies for countries not within the scope of § 211.2(b) of this part.

(5) Designate the DoD member of the Inter-Agency Committee on Foreign Tax Relief, established by the Department of State.

(b) The *Assistant Secretary of Defense (International Security Affairs)* shall monitor the negotiation and conclusion of international agreements subject to the Secretary's approval authority under DoD Instruction 2050.1 Delegated Approval Authority to Negotiate and Conclude International Agreements, July 6, 1977,[1] to ensure that such agreements are compatible with the policy set forth in this part and any implementing guidance concerning that policy issued by the General Counsel of the Department of Defense.

(c) The *Chairman, Defense Acquisition Regulatory Council,* shall coordinate with the General Counsel of the Department of Defense before the issuance, amendment, or revision of any portion of the Defense Acquisition Regulatory System (or regulation, directive, circular, or other publication within the scope of 32 CFR part 160 that pertains to the implementation of the DoD Foreign Tax Relief Program.

(d) The *Assistant Secretary of Defense (Comptroller)* shall perform such fiscal functions as may be required to implement the DoD Foreign Tax Relief Program, including advice and assistance in the institution of procedures for collecting data, compiling reports, and performing internal audits.

(e) The *Secretary of each of the Military Departments* and the *Director of each of the Defense Agencies* shall issue

[1] See footnote 1 to § 209.5(d).

instructions or regulations that charge a single office within the respective Military Department of Defense Agency (referred to as the ''Cognizant Office'') with continuing responsibility for supervising and monitoring the implementation of the DoD Foreign Tax Relief Program within such Department or Agency. Such instructions or regulations shall delegate to the Cognizant Office authority commensurate with its responsibility.

(f) *Commanders of Unified Commands,* as appropriate, shall promulgate management procedures to guide and coordinate the administration of the DoD Foreign Tax Relief Program throughout their respective area commands.

(g) For each foreign country that comes within the scope of subsection B.2. of this directive, a single Military Commander shall be designated by the Commander of the Unified Command. The designated Military Commander shall be the same designated under the procedures in 32 CFR 151.3(c). The designated Military Commander shall:

(1) Make and maintain a current country tax law study in accordance with §211.6 of this part.

(2) Be the single point of contact for U.S. contracting officers and activities for the investigation and resolution of specific matters that relate to the foreign tax relief program within the country for which the Military Commander is designated and for the forwarding of major problems affecting that program through proper channels to the General Counsel of the Department of Defense.

(3) Provide liaison with the responsible U.S. diplomatic mission on current tax relief problems and, where appropriate, with local foreign tax authorities.

§211.6 Country tax law studies.

(a) The taxes covered by each country tax law study shall be limited to those which in the absence of tax relief, would affect, or would appear to affect, U.S. Government expenditures, even as a *de minimis* matter. (All such taxes are hereafter referred to as ''applicable taxes.'') The formats of the studies for all countries shall be similar within each Unified Command insofar as practicable, and designed to facilitate statistical reporting procedures. The studies shall be prepared and maintained with a view to the practical utilization of the studies by U.S. contracting officers and activities for purposes of making reliable estimates of the total amount of taxes applicable to any particular contract and the amount thereof for which tax relief is available.

(b) Each country tax law study shall consist of the following:

(1) A general survey of all applicable taxes, together with translations, as appropriate, of the salient features of the law or regulations imposing those taxes.

(2) For each applicable tax, a summary statement containing: Its name; its rate (or rates); the taxing authority (national, provincial, or municipal); the legal incidence of the tax (the nature of the taxpayer or other entity liable for the payment of the tax to the taxing authority under the law of the country); its description (including the base or bases on which the tax is imposed); the applicability of the tax to various types of contracts (supplies, services, or construction) in the event the tax is applicable to only one or several of such types of contracts; the applicability of the tax to the prime contract, as well as to any subcontracts or purchase orders issued by the prime contractor or subcontractor; the applicability of the tax to contractor and subcontractor personnel; the variation, if any, of the applicability of the tax depending upon the domicile of the contractor or contractor personnel, such as United States, host country, or third country; any applicable exemptions or deductions of significance; and the method of collection of the tax.

(3) The basis upon which it is concluded that each applicable tax, in absence of tax relief, would affect, or would appear to affect, U.S. Government expenditures; and any evidence of the degree to which its ultimate economic burden would, in absence of tax relief, be borne by the U.S. Government rather than be absorbed by others.

(4) The substantive tax relief, if any, from each applicable tax that is available to the U.S. Government either by international agreements in force or

under the tax law or other regulation of the country; the procedures which may be used to obtain any such relief; the requirement, if any, for the issuance of a tax exemption certificate by the military procuring agency or by an agency of the country to secure an exemption; the entitlement, if any, of the taxpayer to interest on any tax refund made by the host country; the credits, if any, that may be available against any other taxes otherwise payable by the taxpayer resulting from the payment of the tax under analysis; the approximate amount of the tax that should be involved in a particular case, if such can be estimated, taking into account the costs of filing a claim for refund by a contractor to warrant filing such a claim; and a brief narration of any significant problems which have occurred in attempting to obtain relief in particular cases.

(5) A conclusion with regard to the adequacy of current tax relief measures; and such recommendations as may be appropriate for more efficient implementation of the policy set forth in this part.

(c) Appended to each country tax law study shall be a verbatim quotation of all provisions relating to tax relief afforded by the country that are contained in international agreements in force.

(d) One copy of each country tax law study shall be forwarded to the General Counsel of the Department of Defense and to each of the Cognizant Offices of the Military Departments and Defense Agencies within 30 days after its approval by the designated Military Commander. The information contained in the studies shall be disseminated by the Cognizant Offices to U.S. contracting officers and activities when required.

(e) Country tax law studies shall be subject to continuing review. When there is a significant change in country tax laws, regulations, tax relief procedures, or in pertinent international agreements in force, the corresponding revision shall be promptly forwarded by the designated Military Commander to each of the offices referred to in § 211.6(d).

§ 211.7 Information requirements.

(a) The reporting requirement contained in § 211.6 relating to the submission of country tax law studies and revisions thereof is assigned Report Control Symbol DDSD (AR) 1036.

(b) Each January a summary of significant activities during the preceding year in implementation of the DoD Foreign Tax Relief Program shall be furnished by the Heads of Cognizant Offices to the General Counsel of the Department of Defense. The summary, in narrative form, shall include actions taken by the Cognizant Office to discharge its responsibility for supervising and monitoring the implementation of the foreign tax relief program within its Military Department or Defense Agency, and for disseminating the information contained in country tax law studies to U.S. contracting officers and activities. The reporting requirement contained in this subsection is assigned Report Control Symbol DDGC (A) 1198.

(c) Each January a summary of significant activities during the preceding year of the administration of the foreign tax relief program shall be furnished by Commanders of the Unified Commands to the General Counsel of the Department of Defense. The summary, in narrative form, shall include actions taken by the Unified Command to discharge its responsibility to supervise and coordinate the preparation and maintenance of country tax law studies. The reporting requirement contained in this subsection is assigned Report Control Symbol DDGC (A) 1199.

PART 212—PRIVATE ORGANIZATIONS ON DoD INSTALLATIONS

Sec.
212.1 Reissuance and purpose.
212.2 Applicability.
212.3 Definitions.
212.4 Policy.
212.5 Responsibilities.
212.6 Procedures.

AUTHORITY: 5 U.S.C. 301.

SOURCE: 63 FR 32616, June 15, 1998, unless otherwise noted.

§ 212.1 Reissuance and purpose.

This part:

(a) Revises 32 CFR part 212.

(b) Implements policy in DoD Directive 5124.5.[1]

§212.2 Applicability.

This part applies to:

(a) The Office of the Secretary of Defense (OSD), the Military Departments, the Chairman of the Joint Chiefs of Staff, the Combatant Commands, the Defense Agencies, and DoD Field Activities (hereafter referred to collectively as the ''DoD Components'').

(b) Private organizations authorized to operate on DoD installations.

§212.3 Definitions.

(a) *DoD Installation*. A location, facility, or activity owned, leased, assigned to, controlled, or occupied by a DoD Component.

(b) *Private Organizations*. Self-sustaining and non-Federal entities, incorporated or unincorporated, which are operated on DoD installations with the written consent of the installation commander or higher authority, by individuals acting exclusively outside the scope of any official capacity as officers, employees, or agents of the Federal Government.

§212.4 Policy.

It is DoD policy under DoD Directive 5124.5 that procedures be established for the operation of private organizations on DoD installations to prevent the official sanction, endorsement, or support by DoD Components except as in 32 CFR part 84. Private organizations are not entitled to sovereign immunity and privileges accorded to Federal entities and instrumentalities. Private organizations are not Federal entities and are not to be treated as such, in order to avoid conflicts of interest and unauthorized expenditures of appropriated, commissary surcharge, or nonappropriated funds.

[1]Copies may be obtained, if needed, from the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, VA 22161.

(c) Updates responsibilities and procedures to define and reestablish parameters for private organizations located on DoD installations for their authorization and support.

§212.5 Responsibilities.

(a) The *Assistant Secretary of Defense for Force Management Policy*, under the *Under Secretary of Defense for Personnel and Readiness*, shall be responsible for all policy matters and OSD oversight for the monitoring of private organizations on DoD installations.

(b) The *Heads of the DoD Components* shall implement this part, shall be kept aware of all private organizations located on installations under their jurisdictions, and ensure that periodic reviews of private organizations are conducted to:

(1) Ensure for each such private organization that the membership provisions and purposes on the basis of which the organization was permitted on the installation continue to apply, thereby justifying continuance on the installation. Substantial changes to those conditions shall necessitate further review, documentation, and approval for continued permission to remain on the installation.

(2) Furnish reports to the Assistant Secretary of Defense for Force Management Policy on private organizations covered by this part as required.

§212.6 Procedures.

(a) To prevent the appearance of an official sanction or support by the Department of Defense, a private organization covered by this part shall not utilize the following in its title or letterhead:

(1) The name or seal of the Department of Defense or the acronym ''DoD.''

(2) The name, abbreviation, or seal of any DoD Component or instrumentality.

(3) The seal, insignia, or other identifying device of the local installation.

(4) Any other name, abbreviation, seal, logo, insignia, or the like, used by any DOD Component to identify any of its programs, locations, or activities.

(b) Activities of private organizations covered by this part shall not in any way prejudice or discredit the DoD Components or the other Agencies of the Federal Government.

(c) The nature, function, and objectives of a private organization covered by this part shall be delineated in a written constitution, by-laws, charter,

articles of agreement, or other authorization documents acceptable to the head of the DoD installation. That documentation shall also include:

(1) Description of membership eligibility in the private organization.

(2) Designation of management responsibilities, to include the accountability for assets, satisfaction of liabilities, disposition of any residual assets on dissolution, and other matters that show responsible financial management.

(3) Documentation indicating an understanding by all members as to whether they are personally liable if the assets are insufficient to discharge all liabilities.

(d) A private organization covered by this part that offers programs or services similar to either appropriated or nonappropriated fund activities on a DoD installation shall not compete with, but may, when specifically authorized in the approval document, supplement those activities.

(e) Private organizations covered by this part shall be self-sustaining, primarily through dues, contributions, service charges, fees, or special assessment of members. There shall be no financial assistance to a private organization from a nonappropriated fund instrumentality in the form of contributions, repairs, services, dividends, or other donations of money or other assets. Fundraising and membership drives are governed by 32 CFR part 84.

(f) The DoD Components may provide logistical support to private organizations with appropriated Federal Government resources in accordance with 32 CFR part 84. In conformance with DoD Directive 1015.1,[2] nonappropriated fund instrumentalities funds or assets shall not be directly or indirectly transferred to private organizations.

(h) Neither appropriated fund activities nor nonappropriated fund instrumentalities may assert any claim to the assets, or incur or assume any obligation of any private organization covered by this part except as may arise out of contractual relationships. Property abandoned by a private organization on its disestablishment or departure from the installation, or donated by it to the installation, may be acquired by the DoD installation under the terms of applicable agreements, statutes, and DoD policy.

(i) Adequate insurance, as defined by the Service concerned, shall be secured by the organization to protect against public liability and property damage claims or other legal actions that may arise as a result of activities of the organization or one or more of its members acting in its behalf, or the operation of any equipment, apparatus or device under the control and responsibility of the private organization.

(j) Private organizations shall be responsible for ensuring applicable fire and safety regulations, environmental laws, local, state, and Federal tax codes, and any other applicable statutes and regulations are complied within the operation of the private organization.

(k) Income shall not accrue to individual members except through wages and salaries as employees of the private organization or as award recognition for service rendered to the private organization or military community. The head of a DoD installation concerned may approve the operation of private organizations, such as investment clubs, in which the investment of members' personal funds result in a return on investment directly and solely to the individual members.

(l) No person because of race, color, creed, sex, age, disability or national origin shall be unlawfully denied membership, unlawfully excluded from participation, or otherwise subjected to unlawful discrimination by any private organization on a DoD installation covered by this part. DoD installations will publicly disseminate information on procedures for individuals to follow at the local installation when unlawful discrimination by private organizations is suspected.

(m) Applicable laws on labor standards for employment shall be observed.

(n) This part does not apply to the following organizations, which are governed by DoD Directives and Instructions as referenced:

[2] See footnote to § 212.1(b).

(g) Personal and professional participation in private organizations by DoD employees is governed by 32 CFR part 84.

(1) Scouting organizations operating at U.S. military installations located overseas (DoD Instruction 1015.9).[3]

(2) American National Red Cross (DoD Directive 1330.5).[4]

(3) United Service Organizations, Inc. (DoD Directive 1330.12).[5]

(4) United Seamen's Service (DoD Directive 1330.16).[6]

(5) Financial Institutions on DoD Installations (32 CFR part 231).

(o) Certain unofficial activities may be conducted on DoD installations, but need not be formally authorized because of the limited scope of their activities, membership or funds. Examples are office coffee funds, flower funds, and similar small, informal activities and funds. DoD Components shall establish the basis upon which such informal activities and funds shall operate.

PART 215—EMPLOYMENT OF MILITARY RESOURCES IN THE EVENT OF CIVIL DISTURBANCES

Sec.
215.1 Purpose and scope.
215.2 Applicability.
215.3 Definitions.
215.4 Legal considerations.
215.5 Policies.
215.6 Responsibilities.
215.7 Command relationships.
215.8 Organization and administration.
215.9 Providing military resources to civil authorities.
215.10 Funding.

AUTHORITY: Chapter 15 of title 10 U.S.C. (10 U.S.C. 331 et seq.).

SOURCE: 37 FR 3637, Feb. 18, 1972, unless otherwise noted.

§215.1 Purpose and scope.

This part establishes uniform Department of Defense policies, assigns responsibilities, and furnishes general guidance for utilizing DoD military and civilian personnel, facilities, equipment or supplies:

(a) In support of civil authorities during civil disturbances within the 50 States, District of Columbia, Commonwealth of Puerto Rico, U.S. possessions and territories, or any political subdivision thereof.

(b) In other related instances where military resources may be used to protect life or Federal property or to prevent disruption of Federal functions.

§215.2 Applicability.

This part is applicable to all components of the Department of Defense (the Military Departments, Organization of the Joint Chiefs of Staff, Defense Agencies, and the unified and specified commands) having cognizance over military resources which may be utilized in accordance with the policies set forth herein.

§215.3 Definitions.

(a) *Civil disturbances* are group acts of violence and disorders prejudicial to public law and order within the 50 States, District of Columbia, Commonwealth of Puerto Rico, U.S. possessions and territories, or any political subdivision thereof. The term civil disturbance includes all domestic conditions requiring the use of Federal armed forces pursuant to the provisions of chapter 15 of Title 10, United States Code.

(b) *Federal property* is that property which is owned, leased, possessed, or occupied by the Federal Government.

(c) *Military resources* include military and civilian personnel, facilities, equipment, and supplies under the control of a DoD component.

(d) A *Federal function* is any function, operation, or action carried out under the laws of the United States by any department, agency, or instrumentality of the United States or by an officer or employee thereof.

§215.4 Legal considerations.

(a) Under the Constitution and laws of the United States, the protection of life and property and the maintenance of public order are primarily the responsibilities of State and local governments, which have the necessary authority to enforce the laws. The Federal Government may assume this responsibility and this authority only in certain limited instances.

(b) Aside from the constitutional limitations of the power of the Federal Government at the local level, there

[3] See footnote to §212.1(b).
[4] See footnote to §212.1(b).
[5] See footnote to §212.1(b).
[6] See footnote to §212.1(b).

are additional legal limits upon the use of military forces within the United States. The most important of these from a civil disturbance standpoint is the Posse Comitatus Act (18 U.S.C. 1385), which prohibits the use of any part of the Army or the Air Force to execute or enforce the laws, except as authorized by the Constitution or Act of Congress.

(c) The Constitution and Acts of Congress establish six exceptions, generally applicable within the entire territory of the United States, to which the Posse Comitatus Act prohibition does not apply.

(1) The constitutional exceptions are two in number and are based upon the inherent legal right of the U.S. Government—a sovereign national entity under the Federal Constitution—to insure the preservation of public order and the carrying out of governmental operations within its territorial limits, by force if necessary.

(i) *The emergency authority.* Authorities prompt and vigorous Federal action, including use of military forces, to prevent loss of life or wanton destruction of property and to restore governmental functioning and public order when sudden and unexpected civil disturbances, disasters, or calamities seriously endanger life and property and disrupt normal governmental functions to such an extent that duly constituted local authorities are unable to control the situations.

(ii) *Protection of Federal property and functions.* Authorizes Federal action, including the use of military forces, to protect Federal property and Federal governmental functions when the need for protection exists and duly constituted local authorities are unable or decline to provide adequate protection.

(2) There are four exceptions to the Posse Comitatus Act based on Acts of Congress.

(i) In the cases of each of the first three of those described, paragraphs (c)(2)(i) (*a*), (*b*), and (*c*) of this section, personal Presidential action, including the issuance of a proclamation calling upon insurgents to disperse and retire peaceably within a limited time, is a prerequisite.

(*a*) *10 U.S.C. 331.* Authorizes use of the militia and Armed Forces when a State is unable to control domestic violence, and a request for Federal assistance has been made by the State legislature or governor to the President. Implements Article IV, section 4, of the Constitution.

(*b*) *10 U.S.C. 332.* Authorizes use of the militia and Armed Forces to enforce Federal law when unlawful obstructions or rebellion against the authority of the United States renders ordinary enforcement means unworkable. Implements Article II, section 3, of the Constitution.

(*c*) *10 U.S.C. 333.* Authorizes use of the militia and Armed Forces when domestic violence or conspiracy hinders execution of State or Federal law, and a State cannot or will not protect the constitutional rights of the citizens. Implements Article II, section 3, and the 14th Amendment of the Constitution.

(*d*) *House Joint Resolution 1292, June 6, 1968.*[1] Directs all departments of the Government, upon the request of the Secret Service, to assist that Service in carrying out its statutory duties to protect Government officials and major political candidates from physical harm. Assistance to the Secret Service is governed by DoD Directive 3025.13, ''Employment of Department of Defense Resources in Support of the United States Secret Service,'' July 15, 1968.[2]

(ii) It should be noted that none of the above authorities, in and of itself, provides sufficient legal basis to order members of the Reserve components to active Federal service.

§ 215.5 Policies.

(a) The employment of DoD military resources for assistance to civil authorities in controlling civil disturbances will normally be predicated upon the issuance of a Presidential Executive order or Presidential directive authorizing and directing the Secretary

[1] Although this resolution has been placed in the Statutes at Large as Public Law 90–331, 82 Stat. 170, it has not been codified; it is set out in the notes to 18 U.S.C. 3056.

[2] Filed as part of original copies available from U.S. Naval Publications and Forms Center, 5801 Tabor Avenue, Philadelphia, PA 19120, Code: 300.

of Defense to provide for the restoration of law and order in a specific State or locality. Exceptions to this condition will be limited to:

(1) Cases of sudden and unexpected emergencies as described in §215.4(c)(1)(i), which require that immediate military action be taken.

(2) Providing military resources to civil authorities as prescribed in §215.9 of this part.

(b) The Attorney General of the United States has been designated to receive and coordinate preliminary requests from States for Federal military assistance authorized by 10 U.S.C. 331 (§215.4(c)(2)(i)(*a*)). Formal requests from States for such aid will be made to the President, who will determine what Federal action will be taken.

(c) The Secretary of the Army is delegated any and all of the authority of the President under chapter 15 of title 10, U.S.C. (§215.4(c)(2)(i) (*a*), (*b*), and (*c*)) which has been or may be hereafter delegated by the President to the Secretary of Defense.

(d) The Secretary of the Navy and the Secretary of the Air Force are delegated all that authority which has been or may be hereafter delegated by the President to the Secretary of Defense to order to active duty, units and members of the Reserve Components under their respective jurisdictions, except National Guard units and members, for use pursuant to chapter 15 of title 10, U.S.C. (§215.4(c)(2)(i) (*a*), (*b*), and (*c*)).

(e) DoD components and their subordinate activities will coordinate with local civil authorities or local military commanders as appropriate, to assure mutual understanding of the policies and procedures to be adhered to in an actual or anticipated civil disturbance situation.

(f) DoD civilian employees generally should not be used to assist civil authorities in connection with civil disturbances, except as provided for in §215.9(b)(3).

(g) The prepositioning of more than a battalion-sized unit, as authorized in §215.6(a)(6), will be undertaken only with the approval of the President. Requests for the prepositioning of forces will be addressed to the Attorney General.

§215.6 Responsibilities.

(a) The Secretary of the Army is designated as the Executive Agent for the Department of Defense in all matters pertaining to the planning for, and the deployment and employment of military resources in the event of civil disturbances. As DoD Executive Agent, the Secretary of the Army (or the Under Secretary of the Army, as his designee) is responsible for:

(1) Providing policy and direction concerning plans, procedures, and requirements to all DoD components having cognizance over military resources which may be employed under the provisions of this part.

(2) Improving and evaluating the capabilities of the National Guard to deal with civil disturbances.

(3) Establishing DoD policies and procedures for:

(i) Calling the National Guard to active Federal service and ordering the National Guard and other Reserve components to active duty; and

(ii) The employment of such forces that may be required to carry out the purposes of this part.

(4) Calling to active Federal service:

(i) The Army National Guard units or members required to carry out the provisions of the Presidential Executive order or other appropriate authority.

(ii) The Air National Guard units or members required to carry out the provisions of the Presidential Executive order or other appropriate authority, subject to the provisions of paragraph (c)(1)(i) of this section.

(5) Providing military resources of the U.S. Army, consistent with defense priorities to include:

(i) The military resources of the Army National Guard called to active Federal service under the provisions of paragraph (a)(4)(i) of this section.

(ii) The military resources of the Army Reserve (other than Army National Guard) ordered to active duty to carry out the purposes of this part.

(6) Exercising through designated military commanders the direction of military resources committed or assigned for employment in the event of actual or potential civil disturbances. When circumstances warrant, such direction will include:

(i) Alerting, and, if necessary, prepositioning predesignated ground forces; and

(ii) Directing the Secretary of the Air Force to alert and provide the necessary airlift resources (see § 215.5(g)).

(7) Devising command, control, and communications arrangements to insure effective coordination and responsiveness among Defense agencies, military departments, the Joint Chiefs of Staff, and Commanders-in-Chief (CINCs) of unified and specified commands, under conditions of prepositioning, deployment, or employment of military resources. Maximum utilization will be made of existing reports of the Joint Reporting Structure (JRS), as prescribed in JCS Pub 6.[3] Arrangements and reports affecting commanders of unified and specified commands will be coordinated with the JCS.

(8) Promulgating in implementation of DoD Directive 5200.27, ''Acquisition of Information Concerning Persons and Organizations not Affiliated with the Department of Defense,'' March 1, 1971,[1] strict policy guidelines designed to restrict to the maximum extent consistent with the effective conduct of actual civil disturbance operations the collection and maintenance of intelligence data in support of military civil disturbance planning and operations within the Department of Defense.

(9) Keeping the Secretary of Defense informed of unusual military resource requirements (actual or potential) and other significant developments in connection with civil disturbance planning and operations.

(10) Establishing procedures for the review and coordination of all DoD components' directives, instructions, and plans affecting civil disturbance planning and operations to assure conformity with DoD policies stated herein and DoD Executive Agent policies.

(11) Providing for the establishment of a DoD Civil Disturbance Steering Committee and a Directorate of Military Support (see § 215.8).

(12) Providing the necessary facilities, equipment, and personnel as required by the Assistant Secretary of Defense (Public Affairs) in the accomplishment of his public affairs responsibilities set forth in paragraph (f) of this section.

(13) Within the restrictions established by DoD Directive 5200.27, ''Acquisition of Information Concerning Persons and Organizations not Affiliated with the Department of Defense,'' March 1, 1971,[1] and the implementing guidelines referred to in paragraph (a)(8) of this section, providing essential planning, operational, and intelligence data to the National Military Command Center (NMCC) and the military service command centers on a timely basis to insure that the National Command Authorities and appropriate military service command authorities are adequately informed.

(b) The Joint Chiefs of Staff are responsible for:

(1) Establishing procedures that will promptly transfer military resources that are assigned to unified and specified commands (i) to the military departments for civil disturbance operations in the Continental United States (CONUS) or (ii) to unified commands for such operations outside the CONUS, as directed by the DoD Executive Agent and consistent with defense priorities.

(2) Maintaining an appropriate strategic reserve for worldwide employment and contingency operations.

(3) Insuring that directives concerning civil disturbances are issued to the commanders of unified commands, for the employment of military resources outside the CONUS, in accordance with direction and guidance provided by the DoD Executive Agent.

(c) The Secretary of the Air Force is responsible for:

(1) Providing military resources of the U.S. Air Force, as required by the DoD Executive Agent and consistent with defense priorities, to include:

(i) Designating and providing the specific units or members of the Air National Guard to be called to active Federal service under the provisions of paragraph (a)(4)(ii) of this section.

[3] Not available to the public. Copies have been distributed to appropriate military commanders.

[1] See footnote 1 to § 215.4(c)(2)(i)(*d*).

(ii) Designating and providing the military resources of the Air Force Reserve (other than Air National Guard) order to active duty to carry out the purposes of this part.

(2) Exercising for the DoD Executive Agent, through designated military commanders, coordinating authority over and direction of DoD provided military and commercial obligated airlift resources used to fulfill civil disturbance airlift requirements.

(3) Providing airlift to deploy and redeploy civil disturbance forces and for supply, resupply, and aeromedical evacuation.

(d) The Secretary of the Navy is responsible for:

(1) Designating and providing military resources of the U.S. Navy and the U.S. Marine Corps, as required by the DoD Executive Agent and consistent with defense priorities, to include ordering to active duty and utilizing the resources of the Naval Reserve and the Marine Corps Reserve required to carry out the purposes of this directive.

(2) Insuring that Navy and Marine forces committed in connection with civil disturbances are trained and equipped in accordance with criteria established by the DoD Executive Agent.

(3) Making airlift resources available to the Secretary of the Air Force, consistent with defense priorities, as requested by him in the accomplishment of his airlift responsibilities set forth in paragraph (c) of this section.

(e) The Defense agencies are responsible for providing military resources as required, and advice and assistance on matters within their spheres of responsibility, to the DoD Executive Agent and to the Secretaries of the military departments and to the Joint Chiefs of Staff in the discharge of their responsibilities.

(f) The Assistant Secretary of Defense (Public Affairs) is responsible for all DoD public affairs matters related to civil disturbances. To assure efficiency and responsiveness in keeping the public fully informed, he will:

(1) Provide direction and guidance to the DoD Executive Agent on all aspects of public release of information relating to civil disturbances.

(2) Assign Public Affairs representatives, of appropriate rank, to the Directorate of Military Support during civil disturbance operations.

(3) Designate as required onsite DoD Public Affairs Chiefs who will furnish appropriate advice and guidance to task force commanders and, upon request or by direction of appropriate authorities, to other representatives of the Federal Government. The onsite Public Affairs Chief is responsible for releasing all military information to the public in the affected area(s). He will be responsible for such other public affairs functions as directed by competent authority. In the event of a disagreement concerning the releasing of military information to the public between a task force commander and the onsite Public Affairs Chief, the issue will be resolved by the ASD(PA) who will coordinate with the DoD Executive Agent to the extent feasible.

§215.7 Command relationships.

(a) In the event of civil disturbances within the CONUS:

(1) Military resources of the unified or specified commands will be transferred by the JCS to their respective military departments, when directed by the DoD Executive Agent. (Such resources will revert to the unified or specified commands when directed by the DoD Executive Agent.)

(2) The DoD Executive Agent is delegated the authority to exercise, through the Chief of Staff, U.S. Army, the direction of those forces assigned or committed to him by the military departments.

(b) In the event of civil disturbances outside of CONUS, the DoD Executive Agent is delegated the authority to exercise the direction of those forces assigned or committed to the commanders of unified or specified commands through the Chief of Staff, U.S. Army, and Task Force Commanders designated by JCS.

(c) At objective areas, designated task force commanders will exercise operational control over all military forces assigned for employment in the event of civil disturbances.

§ 215.8 Organization and administration.

(a) A DoD Civil Disturbance Steering Committee will be established to provide advice and assistance to the DoD Executive Agent concerning civil disturbance matters. The Committee Chairman will be the Under Secretary of the Army. Members will include:

Deputy Attorney General of the United States.
Assistant Secretaries of Defense (Comptroller) and (Public Affairs).
General Counsel of the DoD.
Under Secretaries of the Navy and Air Force.
Vice Chiefs of Staff of the Army and Air Force.
Vice Chief of Naval Operations and Assistant Commandant of the Marine Corps.
Representative of the JCS.

(b) A Directorate of Military Support (DOM's) will be established by the DoD Executive Agent with a joint service staff under the Chief of Staff, U.S. Army. The Department of the Army will provide the Director and the Department of the Air Force will provide the Deputy Director. The DOMs will plan, coordinate, and direct civil disturbance operations.

§ 215.9 Providing military resources to civil authorities.

This section provides general guidance for the handling of requests for DoD facilities, personnel, equipment, or supplies, received from officials of the 50 States, District of Columbia, Commonwealth of Puerto Rico, U.S. possessions and territories, or any political subdivision thereof, for use in connection with civil disturbances.

(a) *Loan policy.* Civil authorities, National Guard, and Federal agencies will be encouraged to provide sufficient resources of their own, so as to minimize the need to rely on DoD assistance.

(1) *Classification of resources.* Military resources will be classified into three groups, as follows:

(i) *Group One.* Personnel, arms, ammunition, tank-automotive equipment, and aircraft.

(ii) *Group Two.* Riot control agents, concertina wire, and other like military equipment to be employed in control of civil disturbances which is not included in Group One.

(iii) *Group Three.* Firefighting resources (to include operating personnel); equipment of a protective nature (such as masks, helmets, body armor vests) and other equipment not included in Group One or Two (such as clothing, communications equipment, searchlights); and the use of DoD facilities.

(2) Requests for personnel to be used in a direct law enforcement role are not within the purview of this part and must be made by the legislature or governor of a State in accordance with 10 U.S.C. 331. Pursuant to the Posse Comitatus Act, DoD operating personnel employed in connection with loaned equipment may not be used in a direct law enforcement role.

(3) Repair parts and POL items are classified according to the group of the equipment for which the parts or POL are intended.

(b) *Approval of requests.* (1) Requests for Group One military resources may be granted only with the personal approval of the DoD Executive Agent or, when designated by him for that purpose, the Under Secretary of the Army.

(2) Requests for Group Two military resources may be granted only with the personal approval of the DoD Executive Agent, or the following individuals when designated by him for that purpose:

(i) The Under Secretary of the Army;

(ii) The Director and Deputy Director of Military Support; or

(iii) A Task Force Commander employed at an objective area during a civil disturbance.

(3) Requests for Group Three resources may be granted by Secretaries of the military departments, CINCs of unified and specified commands outside CONUS; or commanders of military installations or organizations who have been delegated such authority by the appropriate Service Secretary or CINC.

(i) Installation commanders are authorized to provide emergency explosive ordnance disposal service in accordance with applicable regulations of respective military departments.

(ii) The Director, Defense Supply Agency, is authorized to approve requests from subordinate agencies for firefighting assistance in connection

with civil disturbances. Where installation fire departments have mutual aid agreements with nearby civil communities, the installation commander is authorized to provide emergency civilian or mixed civilian/military firefighting assistance. In the absence of a mutual aid agreement and when it is in the best interest of the United States, a commander with Group Three approval authority is authorized to provide emergency civilian or mixed civilian/military assistance in extinguishing fires and in preserving life or property from fire, within the vicinity of an installation. In either case, civilian firefighters may be used provided:

(*a*) In civil disturbance situations where there is significant danger of physical harm to firefighters, the civilian employees volunteer for the assignment. (DoD civilian employees acting in this volunteer capacity are acting as Federal employees.)

(*b*) Firefighting equipment will not be used for riot control.

(*c*) Civil authorities recognize that prior to the commitment of Federal forces to assist in restoring law and order, the protection of firefighting crews and equipment is the responsibility, in ascending order, of municipal, county, and State officials. Failure on the part of such authorities to recognize this responsibility and/or to provide adequate protection will be grounds for refusal to commit installation resources or for withdrawal of resources already committed.

(4) Requests for Groups One, Two, or Three resources, and for renewal of outstanding loans, may be denied at any level in the chain of command down to and including commanders delegated Group Three approval authority.

(c) *Processing of requests.* (1) All requests will be promptly submitted through channels to the appropriate approving authorities using the format established by the DoD Executive Agent.

(2) Requests will be forwarded and processed in keeping with the degree of urgency dictated by the situation.

(3) Requests received by personnel of Defense agencies will be referred to local military commanders for processing, except that DSA subordinate agencies will forward requests for firefighting assistance to DSA.

(4) Request from civil law enforcement agencies for training assistance related to the control of civil disturbances will not be approved at the local level. Such requests should be referred to the nearest U.S. attorney, Department of Justice.

(d) *Reporting of requests.* (1) Reports of all requests for military resources (approved, denied, or pending) will be prepared by all appropriate approving authorities, using the format established by the DoD Executive Agent, and forwarded through channels as follows:

(i) To the military department headquarters, in the case of requests received in the CONUS by the four Services.

(ii) To the DoD Executive Agent, in the case of requests for firefighting assistance received by the Defense Supply Agency.

(iii) To the JCS, in the case of requests received by organizations or installations over which the commanders of the unified and specified commands exercise command authority.

(2) Reports received by the military department headquarters and JCS will be transmitted to the DoD Executive Agent, who, in turn, will transmit information copies of all approved requests for Groups One and Two military resources to the General Counsel of the DoD and the Deputy Attorney General of the United States.

(3) In addition, a weekly summary report of all requests will be compiled by the DoD Executive Agent, showing action taken (approved, denied, or pending) and submitted to the General Counsel of the DoD, the Assistant Secretary of Defense (Installations and Logistics), and the Deputy Attorney General of the United States. Negative summary reports are required.

(4) The reporting requirements prescribed herein are assigned Report Control Symbol DD–A(AR)1112.

§ 215.10 Funding.

(a) Reporting requirements to provide for financing costs associated with civil disturbance operations, to include reimbursement of military department expenditures, will be in accordance

with DoD Instruction 7200.9, ''Financing and Reporting Costs of Military Resources Used in Civil Disturbances,'' January 26, 1970,[4] and DoD Executive Agent implementing instructions.

(b) Military assistance (Groups One, Two, and Three military resources) provided to civil authorities, under the provisions of §215.9, will be on a reimbursable or reclaimable basis as appropriate.

PART 216—MILITARY RECRUITING AND RESERVE OFFICER TRAINING CORPS PROGRAM ACCESS TO INSTITUTIONS OF HIGHER EDUCATION

Sec.
216.1 Purpose.
216.2 Applicability.
216.3 Definitions.
216.4 Policy.
216.5 Responsibilities.
216.6 Information requirements.

APPENDIX A OF PART 216—ROTC SAMPLE LETTER OF INQUIRY
APPENDIX B OF PART 216—MILITARY RECRUITING SAMPLE LETTER OF INQUIRY

AUTHORITY: 10 U.S.C. 983.

SOURCE: 62 FR 16693, Apr. 8, 1997, unless otherwise noted.

§216.1 Purpose.

This part:

(a) Implements the National Defense Authorization Act of 1995 (108 Stat. 2663),

(b) Implements 10 U.S.C. 983, and

(c) Implements the Omnibus Consolidated Appropriations Act, 1997 (110 Stat. 3009).

(d) Updates policy and responsibilities relating to the management of covered schools that have a policy of either denying, or effectively preventing military recruiting personnel entry to their campuses, access to their students, or access to student directory information.

(e) Updates policy and responsibilities relating to the management of covered schools that have an anti-ROTC policy.

[4] Although this resolution has been placed in the Statutes at Large as Pub. L. 90–331, 82 Stat. 170, it has not been codified; it is set out in the notes to 18 U.S.C. 3056.

§216.2 Applicability.

This part applies to the Office of the Secretary of Defense, the Military Departments, the Chairman of the Joint Chiefs of Staff, the Combatant Commands, the Defense Agencies, and the DoD Field Activities (hereafter referred to collectively as ''the DoD Components''). The policies herein also affect the Departments of Transportation, Labor, Health and Human Services, Education, and Related Agencies. The term ''Military Services,'' as used herein, refers to the Army, the Navy, the Marine Corps, the Air Force, and the Coast Guard. The term ''Related Agencies,'' as used herein, refers to the Armed Forces Retirement Home, the Corporation for National and Community Service, the Corporation for Public Broadcasting, the Federal Mediation and Conciliation Service, the Federal Mine Safety and Health Review Commission, the National Commission on Libraries and Information Science, the National Council on Disability, the National Education Goals Panel, the National Labor Relations Board, the National Mediation Board, the Occupational Safety and Health Review Commission, the Physician Payment Review Commission, the Prospective Payment Assessment Commission, the Social Security Administration, the Railroad Retirement Board and the United States Institute of Peace.

§216.3 Definitions.

Anti-ROTC policy. A policy or practice whereby a covered school prohibits or in effect prevents the Secretary of Defense from maintaining, establishing, or efficiently operating a unit of the Senior ROTC at the covered school; or prohibits or in effect prevents a student at the covered school from enrolling in a Senior ROTC unit at another institution of higher education.

Covered school. An institution of higher education, or a subelement of an institution of higher education, subject to the following clarifications:

(1) In the event of a determination (§216.5) affecting only a subelement of a parent institution (see §216.3(d)), the limitations on the use of funds (§216.4

(a) and (b)) shall apply only to the subelement and not to the parent institution as a whole.

(2) The limitations on the use of funds (§216.4 (a) and (b)) shall not apply to any individual institution of higher education that is part of a single university system that does not prevent entry to campus, access to students, or access to student information by military recruiters, or have an anti-ROTC policy, even though another campus of the same system is affected by a determination under §216.5(a).

Directory information on students. The student's name, address, telephone listing, date and place of birth, level of education, academic major, degrees received, and the educational institution in which the student most recently was enrolled.

Institution of higher education. A domestic college, university, or subelement thereof providing postsecondary school courses of study, including foreign campuses of such domestic institutions. The term includes junior colleges, community colleges, and institutions providing courses leading to undergraduate and post-graduate degrees. The term does not include entities that operate exclusively outside the United States, its territories, and possessions. A subelement of an institution of higher education is a discrete (although not necessarily autonomous) organizational entity that may establish policies or practices affecting military recruiting and related actions (e.g., an undergraduate school, a law school, a medical school, or other graduate schools). For example, the School of Law of XYZ University is a subelement of its parent institution (XYZ University).

Student. An individual who is 17 years of age or older and is enrolled at a covered school.

§216.4 Policy.

It is policy that:

(a) Under 108 Stat. 2663 and 110 Stat. 3009, no funds available under appropriations acts for any fiscal year for the Departments of Defense, Transportation, Labor, Health and Human Services, Education, and Related Agencies may be provided by contract or by grant (including a grant of funds to be available for student aid) to a covered school if the Secretary of Defense determines that the covered school has a policy or practice (regardless of when implemented) that either prohibits or in effect prevents the Secretary of Defense from obtaining, for military recruiting purposes, entry to campuses, access to students on campuses, or access to directory information on students.

(b) Under 110 Stat. 3009, no funds available under appropriations acts for any fiscal year for the Departments of Labor, Health and Human Services, Education, and Related Agencies may be provided by contract or grant (including a grant of funds to be available for student aid) to a covered school that has an anti-ROTC policy or practice (regardless of when implemented). Additionally, under 10 U.S.C. 983, no funds appropriated or otherwise available to the Department of Defense may be made obligated by contract or by grant to a covered school that has such a policy or practice.

(c) The limitations established in paragraph (a) of this section, shall not apply to a covered school if the Secretary of Defense determines that the covered school:

(1) Has ceased the policies or practices defined in paragraph (a) of this section;

(2) Has a long-standing policy of pacifism based on historical religious affiliation;

(3) Excludes all employers from recruiting on the premises of the covered school;

(4) When not providing any directory information on students, certifies that such information is not collected by the covered school;

(5) When not providing directory information for specific students, certifies that each student concerned has formally requested the covered school to withhold this information from third parties;

(6) Permits employers to recruit on the premises of the covered school only in response to an expression of student interest, and the covered school;

(i) Provides the Military Services with the same opportunities to inform

the students of military recruiting activities as are available to other employers; or

(ii) Certifies that too few students have expressed an interest to warrant accommodating military recruiters, applying the same criteria that are applicable to other employers; or

(7) Is prohibited by the law of any State, or by the order of any State court, from allowing Federal military recruiting on campus (this exemption is terminated effective March 29, 1998, in accordance with 110 Stat. 3009). However, this exemption does not apply to funds available to the Department of Defense, in accordance with 108 Stat. 2663.

(d) The limitations established in paragraph (b) of this section, shall not apply to a covered school if the Secretary of Defense determines that the covered school:

(1) Has ceased the policies or practices defined in paragraph (b) of this section;

(2) Has a long-standing policy of pacifism based on historical religious affiliation;

(3) Is prohibited by the law of any State, or by the order of any State court, from allowing Senior Reserve Officer Training Corps activities on campus (this exemption is terminated effective March 29, 1998, in accordance with 110 Stat. 3009). However, this exemption does not apply to funds available to the Department of Defense, in accordance with 10 U.S.C. section 983.

(e) an evaluation to determine whether a covered school maintains a policy or practice covered by paragraph (a) of this section shall be undertaken when:

(1) Military recruiting personnel cannot gain entry to campus, cannot obtain access to students on campus, or are denied access to directory information on students (however, military recruiting personnel shall accommodate a covered school's reasonable preferences as to times and places for scheduling on-campus recruiting); or

(2) The covered school is unwilling to declare in writing, in response to an inquiry from a DoD Component, that the covered school does not have a policy of denying, and that it does not effectively prevent, the Secretary of Defense from obtaining for military recruiting purposes entry to campuses, access to students on campuses, or access to student directory information.

(f) An evaluation to determine whether a covered school has an anti-ROTC policy covered by paragraph (b) of this section shall be undertaken when:

(1) A Secretary of a Military Department or designee cannot obtain permission to establish, maintain, or efficiently operate a unit of the Senior ROTC; or

(2) Absent a Senior ROTC unit at the covered school, students cannot obtain permission from a covered school to participate, or are effectively prevented from participating, in a unit of the Senior ROTC at another institution of higher education.

§ 216.5 Responsibilities.

(a) The Assistant Secretary of Defense for Force Management Policy, under the Under Secretary of Defense for Personnel and Readiness, shall:

(1) Not later than 45 days after receipt of the information defined in paragraph (d)(3) of this section:

(i) Make a final determination under 108 Stat. 2663, 10 U.S.C., section 983; and 110 Stat. 3009 and/or this part, and notify any affected school of that determination along with the basis, and that it is therefore ineligible to receive prescribed funds as a result of that determination.

(ii) Disseminate to Federal agencies affected by 110 Stat. 3009, to the DoD Components, and to the General Services Administration (GSA) the names of covered schools identified under paragraph (a)(1)(i) of this section, and the basis of the determination.

(iii) Disseminate the names of covered schools identified under paragraph (a)(1)(i) of this section, to the Secretary of Education and to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives.

(iv) Publish in the FEDERAL REGISTER each determination of the Secretary of Defense that a covered school is ineligible for contracts and grants made under 108 Stat. 2663, 10 U.S.C., section 983, and 110 Stat. 3009 and/or this part.

(v) Publish in the FEDERAL REGISTER once every six months a list of covered schools that are ineligible for contracts and grants by reason of a determination of the Secretary of Defense under 108 Stat. 2663, 10 U.S.C., section 983, and 110 Stat. 3009 and/or this part.

(vi) Inform the applicable school identified under paragraph (a)(1)(i) of this section, that its funding eligibility may be restored if the school provides sufficient new information that the basis for the determination under paragraph (a)(1)(i) of this section no longer exists.

(2) Not later than 45 days after receipt of a covered school's request to restore its eligibility:

(i) Determine whether the funding status of the covered school should be changed, and notify the applicable school of that determination.

(ii) Notify the parties reflected in paragraphs (a)(1) (ii) and (iii) of this section when a determination of funding ineligibility (paragraph (a)(1)(i) of this section) has been rescinded.

(b) The Secretaries of the Military Departments shall:

(1) Identify covered schools that, by policy or practice, deny military recruiting personnel entry to the campus(es) of those schools, access to their students, or access to student directory information. When repeated requests to schedule recruiting visits or to obtain directory information are unsuccessful, the Military Service concerned shall seek written confirmation of the school's present policy from the head of the school through a letter of inquiry. A letter similar to that shown in appendix A of this part shall be used, but it should be tailored to the situation presented. If written confirmation cannot be obtained, oral policy statements or attempts to obtain such statements from an appropriate official of the school shall be documented. A copy of the documentation shall be provided to the covered school, which shall be informed of its opportunity to forward clarifying comments to accompany the submission to the ASD(FMP), and shall be provided 30 days to offer such clarifying comments.

(2) Identify covered schools that, by policy or practice, deny establishment, maintenance, or efficient operation of a unit of the Senior ROTC; or deny students permission to participate, or effectively prevent students from participating in a unit of the Senior ROTC at another institution of higher education. The Military Service concerned shall seek written confirmation of the school's policy from the head of the school through a letter of inquiry. A letter similar to that shown in appendix B of this part shall be used, but it should be tailored to the situation presented. If written confirmation cannot be obtained, oral policy statements or attempts to obtain such statements from an appropriate official of the school shall be documented. A copy of the documentation shall be provided to the covered school, which shall be informed of its opportunity to forward clarifying comments to accompany the submission to the ASD(FMP), and shall be provided 30 days to offer such clarifying comments.

(3) Evaluate responses to the letter of inquiry, and other such evidence obtained in accordance with this part, and submit to the ASD(FMP) the names and addresses of covered schools that are believed to be in violation of policies established in §216.4. Full documentation shall be furnished to the ASD(FMP) for each such covered school, including the school's formal response to the letter of inquiry, documentation of any oral response, or evidence showing that attempts were made to obtain either written confirmation or an oral statement of the school's policies.

(c) The Heads of the DoD Components shall:

(1) Provide the ASD(FMP) with the names and addresses of covered schools identified as a result of evaluation(s) required under §§216.4 (e) and (f).

(2) Take immediate action to deny obligations of DoD Funds to covered schools identified under paragraph (a)(1)(i) of this section, and to restore eligibility of covered schools identified under paragraph (a)(2) of this section.

§216.6 Information requirements.

The information requirements identified at §§216.5 (b) and (c)(1) have been assigned Report Control Symbols DD–P&R (SA) 1386 and DD–P&R (SA) 1640,

respectively, in accordance with DoD 8910.1–M.[1]

APPENDIX A OF PART 216—ROTC SAMPLE LETTER OF INQUIRY

(Tailor letter to situation presented).

Dr. Jane Smith,
President, ABC College, Anywhere, USA 12345–9876.

Dear Dr. Smith: I understand that ABC College has [refused a request from a Military Department to establish a Senior ROTC unit at your institution] [refused to continue existing ROTC programs at your institution] [prevented students from participation at a Senior ROTC program at another institution] by a policy or practice of the College. Current law[1] prohibits funds by grant or contract (including a grant of funds to be available for student aid) from appropriations of the Departments of Defense, Labor, Health and Human Services, Education, and Related Agencies to schools that have a policy or practice prohibiting or preventing the Secretary of Defense from maintaining, establishing, or efficiently operating a Senior ROTC unit. Those statutes also bar agency funds for schools that prohibit or prevent a student from enrolling in an ROTC unit at another institution of higher education. Department of Defense Directive 1322.13 implements[2] those statutes.

This letter provides you an opportunity to clarify your institution's policy regarding ROTC access on the campus of ABC College. In that regard, I request, within the next 30 days, a written statement of the institution with respect to [define the problem area(s)].

Based on this information, Department of Defense officials will make a determination as to your institution's eligibility to receive funds by grant or contract. That decision will affect eligibility for funding from appropriations of the Departments of Defense, Labor, Health and Human Services, Education, and Related Agencies. Should it be determined that ABC College is in violation of the aforementioned statutes, such funding would be stopped, and the school would be ineligible to receive such funds in the future.

I regret that this action may have to be taken. Successful officer procurement requires that the Department of Defense maintain a strong ROTC commissioning program. I hope it will be possible to [define the correction to the aforementioned problem area(s)]. I am available to answer any questions.

Sincerely,

[1] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

[1] 10 U.S.C. 983 and 110 Stat. 3009.

[2] DoD Directive 1322.13, ''Military Recruiting and Reserve Officers Training Corps Program Access to Institutions of Higher Education'' (available on the worldwide web at http://www.dtic.dla.mil/defenselink/).

APPENDIX B OF PART 216—MILITARY RECRUITING SAMPLE LETTER OF INQUIRY

(Tailor letter to situation presented).

Dr. John Doe,
President, ABC College, Anywhere, USA 12345–9876.

Dear Dr. Doe: I understand that military recruiting personnel [are unable to recruit on the campus of ABC College] [have been refused directory information on ABC College students for military recruiting] by a policy or practice of the College. Current law[1] prohibits funds by grant or contract (including a grant of funds to be available for student aid) from appropriations of the Departments of Defense, Transportation, Labor, Health and Human Services, Education, and Related Agencies to schools that have a policy of denying military recruiting personnel entry to campuses, access to students on campuses, or access to directory information on students. Department of Defense Directive 1322.13 implements[2] those statutes.

This letter provides you an opportunity to clarify your institution's policy regarding military recruiting on the campus of ABC College. In that regard, I request, within the next 30 days, a written policy statement of the institution with respect to access to campus and students, and to student directory information[3] by military recruiting personnel. Your response should highlight any difference between access for military recruiters and access for recruiting by other potential employers.

Based on this information, Department of Defense officials will make a determination as to your institution's eligibility to receive funds by grant or contract. That decision will affect eligibility for funding from appropriations of the Departments of Defense, Transportation, Labor, Health and Human Services, Education, and Related Agencies. Should it be determined that ABC College is in violation of the aforementioned statutes, such funding would be stopped, and the

[1] 108 Stat. 2663 and 110 Stat. 3009

[2] DoD Directive 1322.13, ''Military Recruiting and Reserve Officers Training Corps Program Access to Institutions of Higher Education'' (available on the worldwide web at http://www.dtic.dla.mil/defenselink/)

[3] Directory information refers to a student's name, address, telephone listing, date and place of birth, level of education, academic major, degrees received, and the educational institution in which the student most recently was enrolled.

school would be ineligible to receive such funds in the future.

I regret that this action may have to be taken. Successful recruiting requires that Department of Defense recruiters have reasonable access to students on the campuses of colleges and universities, and at the same time have effective relationships with the officials and student bodies of those institutions. I hope it will be possible to [define the correction to the aforementioned problem area(s)]. I am available to answer any questions.

Sincerely,

PART 218—GUIDANCE FOR THE DETERMINATION AND REPORTING OF NUCLEAR RADIATION DOSE FOR DOD PARTICIPANTS IN THE ATMOSPHERIC NUCLEAR TEST PROGRAM (1945–1962)

Sec.
218.1 Policies.
218.2 General procedures.
218.3 Dose reconstruction methodology.
218.4 Dose estimate reporting standards.

AUTHORITY: Pub. L. 98–542, 98 Stat. 2725 (38 U.S.C. 354 Note.)

SOURCE: 50 FR 42521, Oct. 21, 1985, unless otherwise noted.

§218.1 Policies.

(a) Upon request by the Veterans Administration in connection with a claim for compensation, or by a veteran or his or her representative, available information shall be provided by the applicable Military Service which shall include all material aspects of the radiation environment to which the veteran was exposed and shall include inhaled, ingested and neutron doses. In determining the veteran's dose, initial neutron, initial gamma, residual gamma, and internal (inhaled and ingested) alpha, beta, and gamma shall be considered. However, doses will be reported as gamma dose, neutron dose, and internal dose. The minimum standards for reporting dose estimates are set forth in §218.4.

(b) The basic means by which to measure dose from exposure to ionizing radiation is the film badge. Of the estimated 220,000 Department of Defense participants in atmospheric nuclear weapons tests, about 145,000 have film badge dose data available. The information contained in the records has been reproduced in a standard format and is being provided to each military service, which can use the film badge dose data to obtain a radiation dose for a particular individual from that service. This is done upon request from the individual, the individual's representative, the Veterans Administration, or others as authorized by the Privacy Act. Upon request, the participant or his or her authorized representative will be informed of the specific methodologies and assumptions employed in estimating his or her dose. The participant can use this information to obtain independent options regarding exposure.

(c) From 1945 through 1954, the DoD and Atomic Energy Commission (AEC) policy was to issue badges only to a portion of the personnel in a homogeneous unit such as a platoon of a battalion combat team, Naval ship or aircraft crew. Either one person was badged in a group performing the same function, or only personnel expected to be exposed to radiation were badged. After 1954, the policy was to badge all personnel. But, some badges were unreadable and some records were lost or destroyed, as in the fire at the Federal Records Center in St. Louis. For these reasons the Nuclear Test Personnel Review (NTPR) Program has focused on determining the radiation dose for those personnel (about 75,000) who were not issued film badges or for whom film badge records are not available.

(d) In order to determine the radiation dose to individuals for whom film badge data are not available, alternative approaches are used as circumstances warrant. All approaches require investigation of individual or group activities and their relationship to the radiological environment. First, if it is apparent that personnel were not present in the radiological environment and had no other potential for exposure, then their dose is zero. Second, if some members of a group had film badge readings and others did not—and if all members had a common relationship with the radiological enviroment—then doses for unbadged personnel can be calculated. Third, where sufficient badge readings or a

common relationship to the radiological environment does not exist, dose reconstruction is performed. This involves correlating a unit's or individual's detailed activities with the quantitively determined radiological environment. The three approaches are described as follows:

(1) Activities of an individual or his unit are researched for the period of participation in an atmospheric nuclear test. Unit locations and movements are related to areas of radiation. If personnel were far distant from the nuclear detonation(s), did not experience fallout or enter a fallout area, and did not come in contact with radioactive samples or contaminated objects, they were judged to have received no dose.

(2) Film badge data from badged personnel may be used to estimate individual doses for unbadged personnel. First, a group of participants must be identified that have certain common characteristics and a similar potential for exposure to radiation. Such characteristics are: Individuals must be doing the same kind of work, referred to as activity, and all members of the group must have a common relationship to the radiological environment in terms of time, location or other factors. Identification of these groups is based upon research of historical records, technical reports or correspondence. A military unit may consist of several groups or several units may comprise a single group. Using proven statistical methods, the badge data for each group is examined to determine if it adequately reflects the entire group, is valid for use in statistical calculations, or if the badge data indicate the group should be sub-divided into smaller groups. For a group that mets the tests described above, the mean dose, variance and confidence limits are determined. An estimated dose equal to 95% probability that the actual exposure did not exceed the estimate is assigned to unbadged personnel. This procedure is statistically sound and will insure that unbadged personnel are assigned doses much higher than the average/mean for the group.

(3) Dose reconstruction is performed if film badge data are unavailable for all or part of the period or radiation exposure, if film badge data are partially available but cannot be used statistically for calculations, special activities are indicated for specific individuals, or if other types of radiation exposures are indicated. In dose reconstruction, the conditions of exposure are reconstructed analytically to arrive at a radiation dose. Such reconstruction is not a new concept; it is standard scientific practice used by health physicists when the circumstances of a radiation exposure require investigation. The underlying method is in each case the same. The radiation environment is characterized in time and space, as are the activities and geometrical position of the individual. Thus, the rate at which radiation is accrued is determined throughout the time of exposure, from which the total dose is integrated. An uncertainty analysis of the reconstruction provides a calculated mean dose with confidence limits. The specific method used in a dose reconstruction depends on what type of data are available to provide the required characterizations as well as the nature of the radiation environment. The radiation environment is not limited to the gamma radiation that would have been measured by a film badge, but also includes neutron radiation for personnel sufficiently close to a nuclear detonation, as well as beta and alpha radiation (internally) for personnel whose activities indicate the possibility of inhalation or ingestion of radioactive particles.

§ 218.2 General procedures.

The following procedures govern the approach taken in dose determination:

(a) Use individual film badge data where available and complete, for determining the external gamma dose.

(b) Identify group activities and locations for period(s) of possible exposure.

(c) Qualitatively assess the radiation environment in order to delineate contaminated areas. If no activities occurred in these areas, and if no other potential for exposure exists, a no dose received estimate is made.

(d) If partial film badge data are available, define group(s) of personnel with common activities and relationships to radiation environment.

(e) Using standard statistical methods, verify from the distribution of film badge readings whether the badged sample adequately represents the intended group.

(f) Calculate the mean external gamma dose, with variance and confidence limits, for each unbadged population. Assign a dose equal to 95% probability that actual exposure did not exceed the assigned dose.

(g) If badge data is not available for a statistical calculation, conduct a dose reconstruction.

(h) For dose reconstruction, define radiation environment through use of all available scientific data, e.g., measurements of radiation intensity, decay, radioisotopic composition.

(i) Quantitatively relate activities shielding, position, and other factors to radiation environment as a function of time. Integrate dose throughout period of exposure.

(j) Where possible, calculate mean dose with confidence limits; otherwise calculate best estimate dose or, if data are too sparse, upper limit dose.

(k) Compare calculations with available film badge records to verify the calculated doses. Whether or not film badge data is available, calculate initial and internal doses where identified as a meaningful contribution to the total dose.

§218.3 Dose reconstruction methodology.

(a) *Concept.* The specific methodology consists of the characterization of the radiation environments to which participants through all relevant activities, were exposed. The environments, both initial and residual radiation are corrected with the activities of participants to determine accrued doses due to initial radiation, residual radiation and/or inhaled/ingested radioactive material, as warranted by the radiation environment and the specific personnel activities. Due to the range of activities, times, geometries, shielding, and weapon characteristics, as well as the normal spread in the available data pertaining to the radiation environment, an uncertainty analysis is performed. This analysis quantifies the uncertainties due to time/space variations, group size, and available data. Due to the large amounts of data, an automated (computer-assisted) procedure is often used to facilitate the data-handling and the dose integration, and to investigate the sensitivity to variations in the parameters used. The results of the gamma data calculations are then compared with film badge data as they apply to the specific period of the film badges and to the comparable activities of the exposed personnel, in order to validate the procedure and to identify personnel activities that could have led to atypical doses. Radiation dose from neutrons and dose commitments due to inhaled or ingested radioactive material are not detected by film badges. Where required, these values are calculated and recorded separately.

(b) *Characterization of the radiological environment.* (1) This step describes and defines the radiological conditions as a function of time for all locations of concern, that is, where personnel were positioned or where personnel activities took place. The radiation environment is divided into two standard categories—initial radiation and residual radiation.

(2) The initial radiation environment results from several types of gamma and neutron emissions. Prompt neutron and gamma radiation are emitted at the time of detonation, while delayed neutrons and fission-product gamma, from the decay of radioactive products in the fireball, continue to be emitted as the fireball rises. In contrast to these essentially point sources of radiation, there is gamma radiation from neutron interactions with air and soil, generated within a fraction of a second. Because of the complexity of these radiation sources and their varied interaction properties with air and soil, it is necessary to obtain solutions of the Boltzmann radiation transport equation. The radiation environment thus derived includes the effects of shot-specific parameters such as weapon type and yield, neutron and gamma output, source and target geometry, and atmospheric conditions. The calculated neutron and gamma radiation environments are checked for consistency with existing measured data as available. In those few cases displaying significant discrepancies that cannot

be resolved, an environment based on extrapolation of the data is used if it leads to a larger calculated dose.

(3) In determining the residual radiation environment, all possible sources are considered including radioactive clouds, radiation that may have been encountered from other tests, and radioactive debris that may have been deposited in water during oceanic tests. The residual radiation environment is divided into two general components—neutron-activated material that subsequently emits, over a period of time, beta and gamma radiation; and radioactive debris from the fission reaction or from unfissioned materials that emit alpha, beta, and gamma radiation. Because residual radiation decays, the characterization of the residual environment is defined by the radiation intensity as a function of type and time. Radiological survey data are used to determine specific intensities at times of personnel exposure. Interpolation and extrapolation are based on known decay characteristics of the individual materials that comprise the residual contamination. In those rare cases where insufficient radiation data exist to adequately define the residual environment, source data are obtained from the appropriate weapon design laboratory and applied in standard radiation transport codes to determine the initial radiation at specific distances from the burst. This radiation, together with material composition and characteristics, leads to description of the neutron-activated field for each location and time of interest. In all cases observed data, as obtained at the time of the operation, are used to calibrate the calculations.

(c) *Activities of participants.* This step uses all official records, augmented by personnel interviews where gaps exist, to depict a scenario of activities for each individual or definable group. When a dose reconstruction is performed for a specific individual, information available from the individual is accepted unless demonstrably inaccurate. For military units, whose operations were closely controlled and further constrained by radiological safety monitors, the scenario is usually well defined. The same is true for observers, who were restricted to specific locations both during and after the nuclear burst. Ships' locations and activities are usually known with a high degree of precision from deck logs. Aircraft tracks and altitudes are also usually well defined. Personnel engaged in scientific experiments often kept logs of their activities; moreover, the locations of their experiments are usually a matter of record. Where the records are insufficiently complete for the degree of precision required to determine radiation exposure, participants' comments are used and reasonable judgements are made to further the analysis. Possible variations in the activities, as well as possible individual deviations from group activities, with respect to both time and location, are considered in the uncertainty analysis of the radiation dose calculations.

(d) *Calculation of dose.* (1) The initial radiation doses to close-in personnel (who were normally positioned in trenches at the time of detonation) are calculated from the above-ground environment by simulating the radiation transport into the trenches. Various calculational approaches, standard in health physics, are employed to relate in-trench to above-trench doses for each source of radiation. Detailed modeling of the human body, in appropriate postures in the trench, is performed to calculate the gamma dose that would have been recorded on a film badge and the maximum neutron dose. The neutron, neutron-generated gamma, and prompt gamma doses are accrued during such a short time interval that the posture in a trench could not be altered significantly during this exposure. The fission-product gamma dose, however, is delivered over a period of many seconds. Therefore, the possibility of individual reorientation (e.g., standing up) in the trench is considered.

(2) The calculation of the dose from residual radiation follows from the characterized radiation environment and personnel activities. Because radiation intensities are calculated for a field (i.e., in two spatial dimensions) and in time, the radiation intensity is determinable for each increment of personnel activity regardless of direction or at what time. The dose from exposure to a radiation field is obtained

by summing the contribution (product of intensity and time) to dose at each step. The dose calculated from the radiation field does not reflect the shielding of the film badge afforded by the human body. This shielding has been determined for pertinent body positions by the solution of radiation transport equations as applied to a radiation field. Conversion factors are used to arrive at a calculated film badge dose, which not only facilitates comparison with film badge data, but serves as a substitute for an unavailable film badge reading.

(3) The calculation of the dose from inhaled or ingested radioactivity primarily involves the determination of what radiosotopes entered the body in what quantity. Published conversion factors are then applied to these data to arrive at the radiation dose and future dose commitments to internal organs. Inhalation or ingestion of radioactive material is calculated from the radioactive environment and the processes of making these materials inhalable or ingestible. Activities and processes that cause material to become airborne (such as wind, decontamination or traffic) are used with empirical data on particle lofting to determine airborne concentrations under specific circumstances. Volumetric breathing rates and durations of exposure are used to calculate the total material intake. Data on time-dependent weapon debris isotopic composition and the above-mentioned conversion factors are used to calculate the dose commitment to the body and to specific body organs.

(e) *Uncertainty analysis.* Because of the uncertainties associated with the radiological data or calculations used in the absence of data, as well as the uncertainties with respect to personnel activities, confidence limits are determined where possible for group dose calculations. The uncertainty analysis quantifies the errors in available data or in the model used in the absence of data. Confidence limits are based on the uncertainty of all relevant input parameters, and thus vary with the quality of the input data. They also consider the possible range of doses due to the size of the exposure group being examined. Typical sources of error include orientation of the weapons, specific weapon yields, instrument error, fallout intensity data, time(s) at which data were obtained, fallout decay rate, route of personnel movements, and arrival/stay times for specific activities.

(f) *Comparison with film badge records.* (1) Calculations of gamma dose were compared with film badge records for two military units at Operation PLUMBBOB to initially validate this methodology. Where all parameters relating to radiation exposure were identified, direct comparison of gamma dose calculations with actual film badge readings was possible. Resultant correlations provided high confidence in the methodology.

(2) Film badge data may, in some cases, be unrepresentative of the total exposure of a given individual or group; nevertheless, they are extremely useful for direct comparison of incremental doses for specific periods, e.g., validating the calculations for the remaining, unbadged period of exposure. Moreover, a wide distribution of film badge data often leads to more definitive personnel grouping for dose calculations and to further investigation of the reason(s) for such distribution. In all cases, personnel film badge data are not used in the dose calculations, but rather are used solely for comparison with and validation of the calculations. For dose reconstructions accomplished to date, comparison has been favorable and within the confidence limits of the calculations.

§218.4 Dose estimate reporting standards.

The following minimum standards for reporting dose estimates shall be uniformly applied by the Military Services when preparing information in response to an inquiry by the Veterans Administration, in connection with a claim for compensation, or by a veteran or his or her representative. The information shall include all material aspects of the radiation environment to which the veteran was exposed and shall include inhaled, ingested, and neutron doses, when applicable. In determining the veteran's dose, initial neutron, initial gamma, residual gamma, and internal (inhaled and ingested) alpha, beta, and gamma shall

be considered. However, doses will be reported as gamma dose, neutron dose, and internal dose. To the extent to which the information is available, the responses will address the following questions:

(a) Can it be documented that the veteran was a test participant? If so, what tests did he attend and what were the specifics of these tests (date, time, yield (unless classified) type, location and other relevant details)?

(b) What unit was the man in? What were the mission and activities of the units at the test?

(c) To the extent to which the available records indicate, what were his duties at the test?

(d) Can you corroborate the specific information relevant to the potential exposure provided by the claimant to the Veterans Administration and forwarded to the Department of Defense? What is the impact of these specific activities on the claimant's reconstructed dose?

(e) Is there any recorded radiation exposure for the individual? Does this recorded exposure cover the full period of test participation? What are the uncertainties associated with the recorded film badge dose?

(f) If recorded dosimetry data is unavailable or incomplete, what is the dose reconstruction for the most probable dose, with error limits, if available?

(g) Is there evidence of a neutron or internal exposure? What is the reconstruction?

Upon request, the participant or his or her authorized representative will be informed of the specific methodologies and assumptions employed in estimating his or her dose.

PART 219—PROTECTION OF HUMAN SUBJECTS

Sec.

219.101 To what does this policy apply?
219.102 Definitions.
219.103 Assuring compliance with this policy—research conducted or supported by any Federal Department or Agency.
219.104—219.106 [Reserved]
219.107 IRB Membership.
219.108 IRB functions and operations.
219.109 IRB review of research.
219.110 Expedited review procedures for certain kinds of research involving no more than minimal risk, and for minor changes in approved research.
219.111 Criteria for IRB approval of research.
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219.118 Applications and proposals lacking definite plans for involvement of human subjects.
219.119 Research undertaken without the intention of involving human subjects.
219.120 Evaluation and disposition of applications and proposals for research to be conducted or supported by a Federal Department or Agency.
219.121 [Reserved]
219.122 Use of Federal funds.
219.123 Early termination of research support: Evaluation of applications and proposals.
219.124 Conditions.

AUTHORITY: 5 U.S.C. 301; 42 U.S.C. 300v–1(b).

SOURCE: 56 FR 28012, 28021, June 18, 1991, unless otherwise noted.

§ 219.101 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. This includes research conducted by federal civilian employees or military personnel, except that each department or agency head may adopt such procedural modifications as may be appropriate from an administrative standpoint. It also includes research conducted, supported, or otherwise subject to regulation by the federal government outside the United States.

(1) Research that is conducted or supported by a federal department or agency, whether or not it is regulated as defined in § 219.102(e), must comply with all sections of this policy.

(2) Research that is neither conducted nor supported by a federal department or agency but is subject to regulation as defined in § 219.102(e) must be reviewed and approved, in

compliance with § 219.101, § 219.102, and § 219.107 through § 219.117 of this policy, by an institutional review board (IRB) that operates in accordance with the pertinent requirements of this policy.

(b) Unless otherwise required by department or agency heads, research activities in which the only involvement of human subjects will be in one or more of the following categories are exempt from this policy:

(1) Research conducted in established or commonly accepted educational settings, involving normal educational practices, such as (i) research on regular and special education instructional strategies, or (ii) research on the effectiveness of or the comparison among instructional techniques, curricula, or classroom management methods.

(2) Research involving the use of educational tests (cognitive, diagnostic, aptitude, achievement), survey procedures, interview procedures or observation of public behavior, unless:

(i) Information obtained is recorded in such a manner that human subjects can be identified, directly or through identifiers linked to the subjects; and

(ii) Any disclosure of the human subjects' responses outside the research could reasonably place the subjects at risk of criminal or civil liability or be damaging to the subjects' financial standing, employability, or reputation.

(3) Research involving the use of educational tests (cognitive, diagnostic, aptitude, achievement), survey procedures, interview procedures, or observation of public behavior that is not 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]

[56 FR 28012, 28021, June 18, 1991, as amended at 56 FR 29756, June 28, 1991]

§ 219.102 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 Administration). It does not include research activities which are incidentally regulated by a federal department or agency solely as part of the department's or agency's broader responsibility to regulate certain types of activities whether research or non-research in nature (for example, Wage and Hour requirements administered by the Department of Labor).

(f) *Human subject* means a living individual about whom an investigator (whether professional or student) conducting research obtains

[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 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 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.

(1) Data through intervention or interaction with the individual, or

(2) Identifiable private information.

Intervention includes both physical procedures by which data are gathered (for example, venipuncture) and manipulations of the subject or the subject's environment that are performed for research purposes. Interaction includes communication or interpersonal contact between investigator and subject. ''Private information'' includes information about behavior that occurs in a context in which an individual can reasonably expect that no observation or recording is taking place, and information which has been provided for specific purposes by an individual and which the individual can reasonably expect will not be made public (for example, a medical record). Private information must be individually identifiable (i.e., the identity of the subject is or may readily be ascertained by the investigator or associated with the information) in order for obtaining the information to constitute research involving human subjects.

(g) *IRB* means an institutional review board established in accord with and for the purposes expressed in this policy.

(h) *IRB approval* means the determination of the IRB that the research has been reviewed and may be conducted at an institution within the constraints set forth by the IRB and by other institutional and federal requirements.

(i) *Minimal risk* means that the probability and magnitude of harm or discomfort anticipated in the research are not greater in and of themselves than those ordinarily encountered in daily life or during the performance of routine physical or psychological examinations or tests.

(j) *Certification* means the official notification by the institution to the supporting department or agency, in accordance with the requirements of this policy, that a research project or activity involving human subjects has been reviewed and approved by an IRB in accordance with an approved assurance.

§219.103 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 §219.101 (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 §219.103(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 eliminate apparent immediate hazards to the subject.

(5) Written procedures for ensuring prompt reporting to the IRB, appropriate institutional officials, and the department or agency head of (i) any unanticipated problems involving risks to subjects or others or any serious or continuing noncompliance with this policy or the requirements or determinations of the IRB and (ii) any suspension or termination of IRB approval.

(c) The assurance shall be executed by an individual authorized to act for the institution and to assume on behalf of the institution the obligations imposed by this policy and shall be filed in such form and manner as the department or agency head prescribes.

(d) The department or agency head will evaluate all assurances submitted in accordance with this policy through such officers and employees of the department or agency and such experts or consultants engaged for this purpose as the department or agency head determines to be appropriate. The department or agency head's evaluation will take into consideration the adequacy of the proposed IRB in light of the anticipated scope of the institution's research activities and the types of subject populations likely to be involved, the appropriateness of the proposed initial and continuing review procedures in light of the probable risks, and the size and complexity of the institution.

(e) On the basis of this evaluation, the department or agency head may approve or disapprove the assurance, or enter into negotiations to develop an approvable one. The department or agency head may limit the period during which any particular approved assurance or class of approved assurances shall remain effective or otherwise condition or restrict approval.

(f) Certification is required when the research is supported by a federal department or agency and not otherwise exempted or waived under §219.101 (b) or (i). An institution with an approved assurance shall certify that each application or proposal for research covered by the assurance and by §219.103 of this Policy has been reviewed and approved by the IRB. Such certification must be submitted with the application or proposal or by such later date as may be prescribed by the department or agency to which the application or proposal is submitted. Under no condition shall research covered by §219.103 of the Policy be supported prior to receipt of the certification that the research has been reviewed and approved by the IRB. Institutions without an approved assurance covering the research shall certify within 30 days after receipt of a request

for such a certification from the department or agency, that the application or proposal has been approved by the IRB. If the certification is not submitted within these time limits, the application or proposal may be returned to the institution.

(Approved by the Office of Management and Budget under control number 9999–0020)

[56 FR 28012, 28021, June 18, 1991, as amended at 56 FR 29756, June 28, 1991]

§§219.104—219.106 [Reserved]

§219.107 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 be able to ascertain the acceptability of proposed research in terms of institutional commitments and regulations, applicable law, and standards of professional conduct and practice. 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 are knowledgeable about and experienced in working with these subjects.

(b) Every nondiscriminatory effort will be made to ensure that no IRB consists entirely of men or entirely of women, including the institution's consideration of qualified persons of both sexes, so long as no selection is made to the IRB on the basis of gender. No IRB may consist entirely of members of one profession.

(c) Each IRB shall include at least one member whose primary concerns are in scientific areas and at least one member whose primary concerns are in nonscientific areas.

(d) Each IRB shall include at least one member who is not otherwise affiliated with the institution and who is not part of the immediate family of a person who is affiliated with the institution.

(e) No IRB may have a member participate in the IRB's initial or continuing review of any project in which the member has a conflicting interest, except to provide information requested by the IRB.

(f) An IRB may, in its discretion, invite individuals with competence in special areas to assist in the review of issues which require expertise beyond or in addition to that available on the IRB. These individuals may not vote with the IRB.

§219.108 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 §219.103(b)(4) and, to the extent required by, §219.103(b)(5).

(b) Except when an expedited review procedure is used (see §219.110), 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.

§219.109 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 §219.116. The IRB may require that information, in addition to that specifically mentioned in §219.116, 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 § 219.117.

(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)

§ 219.110 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 § 219.108(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.

§ 219.111 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 § 219.116.

(5) Informed consent will be appropriately documented, in accordance with, and to the extent required by § 219.117.

(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.

§ 219.112 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.

§ 219.113 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)

§ 219.114 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.

§ 219.115 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 § 219.103(b)(3).

(6) Written procedures for the IRB in the same detail as described in § 219.103(b)(4) and § 219.103(b)(5).

(7) Statements of significant new findings provided to subjects, as required by § 219.116(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.

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§ 219.116 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 practicably 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 practicably 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)

§ 219.117 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 § 219.116. 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 § 219.116 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)

§ 219.118 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 subjects' 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 § 219.101 (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.

§ 219.119 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.

§ 219.120 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.

§ 219.121 [Reserved]

§ 219.122 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.

§ 219.123 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 paragarph

(a) of this section and whether the applicant or the person or persons who would direct or has 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).

§219.124 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 220—COLLECTION FROM THIRD PARTY PAYERS OF REASONABLE COSTS OF HEALTHCARE SERVICES

Sec.
220.1 Purpose and applicability.
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220.12 Definitions.

AUTHORITY: 5 U.S.C. 301; 10 U.S.C. 1095.

SOURCE: 55 FR 21748, May 29, 1990, unless otherwise noted.

§220.1 Purpose and applicability.

This part implements the provisions of 10 U.S.C. 1095. In general, 10 U.S.C. 1095 establishes the statutory obligation of third party payers to reimburse the United States the reasonable costs of healthcare services provided by facilities of the Uniformed Services to most Uniformed Services medical care beneficiaries who are also covered by a third party payer's plan. This part establishes the Department of Defense interpretations and requirements applicable to all healthcare services subject to 10 U.S.C. 1095.

[57 FR 41100, Sept. 9, 1992]

§220.2 Statutory obligation of third party payer to pay.

(a) *Basic rule.* Pursuant to 10 U.S.C. 1095(a)(1), a third party payer has an obligation to pay the United States the reasonable costs of healthcare services provided in any facility of the Uniformed Services to a Uniformed Services beneficiary who is also a beneficiary under the third party payer's plan. The obligation to pay is to the extent that the beneficiary would be eligible to receive reimbursement or indemnification from the third party payer if the beneficiary were to incur the costs on the beneficiary's own behalf.

(b) *Application of cost shares.* If the third party payer's plan includes a requirement for a deductible or copayment by the beneficiary of the plan, then the amount the United States may collect from the third party payer is the reasonable cost of the care provided less the appropriate deductible or copayment amount.

(c) *Claim from United States exclusive.* The only way for a third party payer to satisfy its obligation under 10 U.S.C. 1095 is to pay the facility of the uniformed service or other authorized representative of the United States. Payment by a third party payer to the beneficiary does not satisfy 10 U.S.C. 1095.

(d) *Assignment of benefits not necessary.* The obligation of the third party payer to pay is not dependent upon the beneficiary executing an assignment of benefits to the United States.

[55 FR 21748, May 29, 1990, as amended at 57 FR 41101, Sept. 9, 1992]

§220.3 Exclusions impermissible.

(a) *Statutory requirement.* Under 10 U.S.C. 1095(b), no provision of any third party payer's plan having the effect of excluding from coverage or limiting payment for certain care if that care is provided in a facility of the uniformed

services shall operate to prevent collection by the United States.

(b) *General rules.* Based on the statutory requirement, the following are general rules for the administration of 10 U.S.C. 1095 and this part.

(1) Express exclusions or limitations in third party payer plans that are inconsistent with 10 U.S.C. 1095(b) are inoperative.

(2) No objection, precondition or limitation may be asserted that defeats the statutory purpose of collecting from third party payers.

(3) Third party payers may not treat claims arising from services provided in facilities of the uniformed services less favorably than they treat claims arising from services provided in other hospitals.

(4) No objection, precondition or limitation may be asserted that is contrary to the basic nature of facilities of the uniformed services.

(c) *Specific examples of impermissible exclusion.* The following are several specific examples of impermissible exclusions, limitations or preconditions. These examples are not all inclusive.

(1) *Care provided by a government entity.* A provision in a third party payer's plan that purports to disallow or limit payment for services provided by a government entity or paid for by a government program (or similar exclusion) is not a permissible ground for refusing or reducing third party payment.

(2) *No obligation to pay.* A provision in a third party payer's plan that purports to disallow or limit payment for services for which the patient has no obligation to pay (or similar exclusion) is not a permissible ground for refusing or reducing third party payment.

(3) *Exclusion of military beneficiaries.* No provision of an employer sponsored program or plan that purports to make ineligible for coverage individuals who are uniformed services health care beneficiaries shall be permissible.

(4) *No participation agreement.* The lack of a participation agreement or the absence of privity of contract between a third party payer and a facility of the uniformed services is not a permissible ground for refusing or reducing third party payment.

[55 FR 21748, May 29, 1990, as amended at 57 FR 41101, Sept. 9, 1992]

§ 220.4 Reasonable terms and conditions of health plan permissible.

(a) *Statutory requirement.* The statutory obligation of the third party to pay is not unqualified. Under 10 U.S.C. 1095(a)(1) (as noted in § 220.2 of this part), the obligation to pay is to the extent the third party payer would be obliged to pay if the beneficiary incurred the costs personally.

(b) *General rules.* (1) Based on the statutory requirement, after any impermissible exclusions have been made inoperative (see § 220.3 of this part), reasonable terms and conditions of the third party payer's plan that apply generally and uniformly to services provided in facilities other than facilities of the uniformed services may also be applied to services provided in facilities of the uniformed services.

(2) Third party payers are not required to treat claims arising from services provided in facilities of the uniformed services more favorably than they treat claims arising from services provided in other hospitals.

(c) *Specific examples of permissible terms and conditions.* The following are several specific examples of permissible terms and conditions of third party payer plans. These examples are not all inclusive.

(1) *Generally applicable coverage provisions.* Generally applicable provisions regarding particular types of medical care or medical conditions covered by the third party payer's plan are permissible grounds to refuse or limit third party payment.

(2) *Generally applicable utilization review provisions.* Generally applicable provisions of the third party payer's plan requiring preadmission screening, second surgical opinions, retrospective review or other similar utilization review activities are permissible grounds to refuse or reduce third party payment if such refusal or reduction is required by the third party payer's plan. Such provisions, however, may not be applied in a manner that would result in claims arising from services provided by facilities of the uniformed

services being treated less favorably than claims arising from services provided by other hospitals.

(3) *Restrictions in HMO plans.* Generally applicable exclusions in Health Maintenance Organization (HMO) plans of nonemergency services provided outside the HMO (or similar exclusions) are permissible.

§220.5 Records available.

Pursuant to 10 U.S.C. 1095(c), facilities of the uniformed services, when requested, shall make available to representatives of any third party payer from which the United States seeks payment under 10 U.S.C. 1095 for inspection and review appropriate health care records (or copies of such records) of individuals for whose care payment is sought. Appropriate records which will be made available are records which document that the services which are the subject of the claims for payment under 10 U.S.C. 1095 were provided as claimed and were provided in a manner consistent with permissible terms and conditions of the third party payer's plan. This is the sole purpose for which patient care records will be made available. Records not needed for this purpose will not be made available.

§220.6 Certain payers excluded.

(a) *Medicare and Medicaid.* Under 10 U.S.C. 1095(d), claims for payment from the Medicare or Medicaid programs (titles XVIII and XIX of the Social Security Act) are not authorized.

(b) *Supplemental plans.* CHAMPUS (see 32 CFR part 199) supplemental plans and income supplemental plans are excluded from any obligation to pay under 10 U.S.C. 1095.

(c) *Third party payer plans prior to April 7, 1986.* 10 U.S.C. 1095 is not applicable to third party payer plans which have been in continuous effect without amendment or renewal since prior to April 7, 1986. Plans entered into, amended or renewed on or after April 7, 1986, are subject to 10 U.S.C. 1095.

(d) *Third party payer plans prior to November 5, 1990, in connection with outpatient care.* The provisions of 10 U.S.C. 1095 and this section concerning outpatient services are not applicable to third party payer plans:

(1) That have been in continuous effect without amendment or renewal since prior to November 5, 1990; and

(2) For which the facility of the Uniformed Services or other authorized representative for the United States makes a determination, based on documentation provided by the third party payer, that the policy or plan clearly excludes payment for such services. Plans entered into, amended or renewed on or after November 5, 1990, are subject to this section, as are prior plans that do not clearly exclude payment for services covered by this section.

[55 FR 21748, May 29, 1990, as amended at 57 FR 41101, Sept. 9, 1992]

§220.7 Remedies.

(a) Pursuant to 10 U.S.C. 1095(e)(1), the United States may institute and prosecute legal proceedings against a third party payer to enforce a right of the United States under 10 U.S.C. 1095 and this part.

(b) Pursuant to 10 U.S.C. 1095(e)(2), an authorized representative of the United States may compromise, settle or waive a claim of the United States under 10 U.S.C. 1095 and this part.

(c) The authorities provided by 32 CFR part 90 regarding collection of indebtedness due the United States shall also be available to effect collections pursuant to 10 U.S.C. 1095 and this part.

§220.8 Reasonable costs.

(a) *Diagnosis related group (DRG)-based method for calculating reasonable costs for inpatient services*—(1) *In general.* As authorized by 10 U.S.C. 1095(f)(3), the calculation of reasonable costs for purposes of collections for inpatient hospital care under 10 U.S.C. 1095 and this part shall be based on diagnosis related groups (DRGs). Costs shall be based on the inpatient full reimbursement rate per hospital discharge, weighted to reflect the intensity of the principal diagnosis involved. The average cost per case shall be published annually as an inpatient standardized amount. A relative weight for each DRG shall be the same as the DRG weights published annually for hospital reimbursement rates under the Civilian Health and Medicare Program of the Uniformed Services

(CHAMPUS) pursuant to 32 CFR 199.14(a)(1).

(2) *Standardized amount.* The standardized amount shall be determined by dividing the total costs of all inpatient care in all military medical treatment facilities by the total number of discharges. This will produce a single national standardized amount. The Department of Defense is authorized, but not required by this part to calculate three standardized amounts, one each for large urban areas, other urban areas, and rural areas, utilizing the same distinctions in identifying those areas as is used for CHAMPUS under 32 CFR 199.14(a)(1).

(3) *DRG relative weights.* Costs for each DRG will be determined by multiplying the standardized amount per discharge by the DRG relative weight. For this purpose, the DRG relative weights used for CHAMPUS pursuant to 32 CFR 199.14(a)(1) shall be used.

(4) *Adjustments for outliers, area wages, and indirect medical education.* The Department of Defense may, but is not required by this part, to adjust cost determinations in particular cases for length-of-stay outliers (long stay and short stay), cost outliers, area wage rates, and indirect medical education. If any such adjustments are used, the method shall be comparable to that used for CHAMPUS hospital reimbursements pursuant to 32 CFR 199.14(a)(1)(iii)(E), and the calculation of the standardized amount under paragraph (a)(2) of this section will reflect that such adjustments will be used.

(5) *Identification of professional and hospital costs.* For purposes of billing third party payers other that automobile liability and no-fault insurance carriers, inpatient billings will be subdivided into two categories:

(i) Hospital charges (which refers to routine service charges associated with the hospital stay and ancillary charges).

(ii) Professional charges (which refers to professional services provided by physicians and certain other providers).

(6) Outpatient billings will continue to be subdivided into three categories:

(i) Hospital charges (which refers to routine service charges associated with the outpatient visit).

(ii) Professional charges (which refers to professional services provided by physicians and certain other providers).

(iii) Ancillary charges (which refers to diagnostic and treatment services, other than professional services, provided by components of the hospital in connection with the outpatient visit).

(b) *Unified per diem rates for care provided prior to October 1, 1992.* For inpatient hospital care provided prior to October 1, 1992, the computation of reasonable costs shall be based on the unified per diem full reimbursement rate for all clinical categories of hospital care. For purposes of this paragraph (and paragraph (c) of this section), charges for patients hospitalized before and after the October 1 start date shall be based on the determination method in effect for the respective periods of hospitalization.

(c) *Clinical groups per diem rates for care provided on or after October 1, 1992, and prior to October 1, 1994.* For inpatient hospital care provided on or after October 1, 1992, and prior to October 1, 1994, the computation of reasonable costs shall be based on the per diem full reimbursement rate applicable to the clinical category of services involved. Patients treated in an intensive care unit any time during the 24 hour nursing period shall be charged the intensive care per diem charge in lieu of a charge to the clinical service to which the patient is currently assigned. For this purpose, 12 clinical groups are established, as follows:

(1) Medical Care Services. This includes internal medicine, cardiology, dermatology, endocrinology, gastroenterology, hematology, nephrology, neurology, oncology, pulmonary and upper respiratory disease, rheumatology, physical medicine, clinical immunology, HIV III—Acquired Immune Deficiency Syndrome (AIDS), infectious disease, allergy, and medical care not elsewhere classified.

(2) Surgical Care Services. This includes general surgery, cardiovascular and thoracic surgery, neurosurgery, ophthalmology, oral surgery, otolaryngology, pediatric surgery, plastic surgery, proctology, urology, peripheral vascular, trauma service, head and

neck service and surgical care not elsewhere classified.

(3) Obstetrical and Gynecological Care.

(4) Pediatric Care. This includes pediatrics, nursery, adolescent pediatrics and pediatric care not elsewhere classified.

(5) Orthopaedic Care. This includes orthopaedics, podiatry and hand surgery.

(6) Psychiatric Care and Substance Abuse Rehabilitation.

(7) Family Practice Care.

(8) Burn Unit Care.

(9) Medical Intensive Care/Coronary Care.

(10) Surgical Intensive Care.

(11) Neonatal Intensive Care.

(12) Organ and Bone Marrow Transplants.

(d) *Medical services and subsistence charges included.* Medical services charges pursuant to 10 U.S.C. 1078 or subsistence charges pursuant to 10 U.S.C. 1075 are included in the claim filed with the third party payer pursuant to 10 U.S.C. 1095. For any patient of a facility of the Uniformed Services who indicates that he or she is a beneficiary of a third party payer plan, the usual medical services or subsistence charge will not be collected from the patient to the extent that payment received from the payer exceeds the medical services or subsistence charge. Thus, except in cases covered by § 220.8(k), payment of the claim made pursuant to 10 U.S.C. 1095 which exceeds the medical services or subsistence charge, will satisfy all of the third party payer's obligation arising from the inpatient hospital care provided by the facility of the Uniformed Services on that occasion.

(e) *Per visit rates.* (1) As authorized by 10 U.S.C. 1095(f)(2), the computation of reasonable costs for purposes of collections for most outpatient services shall be based on a per visit rate for a clinical specialty or subspecialty. The per visit charge shall be equal to the outpatient full reimbursement rate for that clinical specialty or subspecialty and includes all routine ancillary services. A separate charge will be calculated for cases that are considered same day/ambulatory surgeries. These rates shall be updated and published annually. As with inpatient billing categories, clinical groups representing selected board certified specialties/subspecialties widely accepted by graduate medical accrediting organizations such as the Accreditation Council for Graduate Medical Education (ACGME) or the American Board of Medical Specialties will be used for ambulatory billing categories. Related clinical groups may be combined for purposes of billing categories.

(2) The following clinical reimbursement categories are representative, but not all-inclusive of the billing category clinical groups referred to in paragraph (e)(1) of this section: Internal Medicine, Allergy, Cardiology, Diabetic, Endocrinology, Gastroenterology, Hematology, Hypertension, Nephrology, Neurology, Nutrition, Oncology, Pulmonary Disease, Rheumatology, Dermatology, Infectious Disease, Physical Medicine, General Surgery, Cardiovascular and Thoracic Surgery, Neurosurgery, Ophthalmology, Organ Transplant, Otolaryngology, Plastic Surgery, Proctology, Urology, Pediatric Surgery, Family Planning, Obstetrics, Gynecology, Pediatrics, Adolescent Pediatrics, Well Baby, Orthopaedics, Cast, Orthotic Laboratory, Hand Surgery, Podiatry, Psychiatry, Psychology, Child Guidance, Mental Health, Social Work, Substance Abuse Rehabilitation, Family Practice, and Occupational and Physical Therapy.

(f) *Same day/ambulatory surgery rate.* A separate charge will be calculated for cases that are same day/ambulatory surgeries.

(g) *Special rule for services ordered and paid for by a facility of the Uniformed Services but provided by another provider.* In cases where a facility of the Uniformed Services purchases ancillary services or procedures, from a source other than a Uniformed Services facility, the cost of the purchased services will be added to the standard rate. Examples of ancillary services and other procedures covered by this special rule include (but are not limited to): laboratory, radiology, pharmacy, pulmonary function, cardiac catheterization, hemodialysis, hyperbaric medicine, electrocardiography, electroencephalography, electroneuromyography, pulmonary

function, inhalation and respiratory therapy and physical therapy services.

(h) *Special rule for certain ancillary services ordered by outside providers and provided by a facility of the Uniformed Services.* If a Uniformed Services facility provides certain ancillary services, prescription drugs or other procedures requested by a source other than a Uniformed Services facility and are not incident to any outpatient visit or inpatient services, the reasonable cost will not be based on the usual Diagnostic Related Group (DRG) or per visit rate. Rather, a separate standard rate shall be established based on the accumulated cost of the particular service, drugs, or procedures provided during a twenty-four hour period ending at midnight. Effective March 15, 1996, this special rule applies only to services, drugs or procedures having a cost of at least $25. The reasonable cost for the services, drugs or procedures to which this special rule applies shall be calculated and made available to the public annually.

(i) *Miscellaneous health care services.* Some outpatient services are provided which may not traditionally be provided in hospitals or which are not traditional clinical specialties or subspecialties. This includes, but is not limited to, land ambulance service, air ambulance service, hyperbaric treatments, dental care services and immunizations.

(1) The charge for ambulance services shall be based on the full costs of operating the ambulance service.

(2) For hyperbaric treatments (such as high pressure oxygenation treatments, burn treatments and decompression treatments in response to diving incidents), charges will be based on the full operating costs of the hyperbaric treatment services.

(3) Charges for dental services (including oral diagnosis and prevention, periodontics, prosthodontics (fixed and removable), implantology, oral surgery, orthodontics, pediatric dentistry and endodontics) will be based on a full cost of the dental services.

(4) The charge for immunizations, allergin extracts, allergic condition tests, and the administration of certain medications when these services are provided in a separate immunizations or shot clinic, will be based on the average full cost of these services, exclusive of any costs considered for purposes of any outpatient visit. A separate charge shall be made for each immunization, injection or medication administered.

(j) *Special rule for former Public Health Service facilities.* In connection with the former Public Health Service facilities described in § 220.12(c), the computation of reasonable costs for purposes of collections under 10 U.S.C. 1095 and this part may differ from such computations under § 220.8. Reasonable costs for such facilities shall be determined by the Department of Defense based on approximate government costs for similar services under CHAMPUS.

(k) *Special rules for TRICARE Resource Sharing Agreements and Partnership Program providers*—(1) *In general.* Paragraph (k) establishes special Third Party Collection program rules for TRICARE Resource Sharing Agreements and Partnership Program providers.

(i) TRICARE Resource Sharing Agreements are agreements under the authority of 10 U.S.C. 1096 and 1097 between uniformed services treatment facilities and TRICARE managed care support contractors under which the TRICARE managed care support contractor provides personnel and other resources to the uniformed services treatment facility concerned in order to help the facility increase the availability of health care services for beneficiaries. TRICARE is the managed care program authorized by 10 U.S.C. 1097 (and several other statutory provisions) and established by regulation at 32 CFR 199.17.

(ii) Partnership Program providers provide services in facilities of the uniformed services under the authority of 10 U.S.C. 1096 and the CHAMPUS program. They are similar to providers providing services under TRICARE Resource Sharing Agreements, except that payment arrangements are different. Those functioning under TRICARE Resource Sharing Agreements are under special payment arrangements with the TRICARE managed care contractor; those under the Partnership Program file claims under

the standard CHAMPUS program on a fee-for-service basis.

(2) *Special rule for TRICARE Resource Sharing Agreements.* Services provided in facilities of the uniformed services in whole or in part through personnel or other resources supplied under a TRICARE Resource Sharing Agreement are considered for purposes of this part as services provided by the facility of the uniformed services. Thus, third party payers will receive a claim for such services in the same manner and for the same costs as any similar services provided by a facility of the uniformed services. This paragraph (k)(2) becomes effective April 1, 1997.

(3) *Special rule for Partnership Program providers.* For inpatient services for which the professional provider services were provided by a Partnership Program participant, the professional charges component of the bill will be deleted from the claim from the facility of the uniformed services. In these cases, the uniformed service facility's claim shall not be considered solely a ''facility charge.'' As an all-inclusive bill, room and board, nursing services and all ancillary services (radiology, pharmaceuticals, respiratory therapy, etc.) are factored into the bill. The third party payer will receive a separate claim for professional services directly from the individual health care provider. The same is true for the professional services provided on an outpatient basis under the Partnership Program. Claims from Partnership Program providers are not covered by 10 U.S.C. 1095 or this part, but are governed by statutory and regulatory requirements of the CHAMPUS program.

(l) *Alternative determination of reasonable costs.* Any third party payer that can satisfactorily demonstrate a prevailing rate of payment in the same geographic area for the same or similar aggregate groups of services that is less than the standard rate (or other amount as determined under paragraphs (f) through (k) of this section) of the facility of the Uniformed Services may, with the agreement of the facility of the Uniformed Services (or other authorized representatives of the United States), limit payments under 10 U.S.C. 1095 to that prevailing rate for that aggregate category of services. The determination of the third party payer's prevailing rate shall be based on a review of valid contractual arrangements with other facilities or providers constituting a majority of the services for which payment is made under the third party payer's plan. This paragraph does not apply to cases covered by §220.11.

[57 FR 41101, Sept. 9, 1992, as amended at 59 FR 49002, Sept. 26, 1994; 61 FR 6542, Feb. 21, 1996; 62 FR 941, Jan. 7, 1997]

§220.9 Rights and obligations of beneficiaries.

(a) *No additional cost share.* Pursuant to 10 U.S.C. 1095(a)(2), uniformed services beneficiaries will not be required to pay to the facility of the uniformed services any amount greater than the normal medical services or subsistence charges (under 10 U.S.C. 1075 or 1078). In every case in which payment from a third party payer is received, it will be considered as satisfying the normal medical services or subsistence charges, and no further payment from the beneficiary will be required.

(b) *Availability of healthcare services unaffected.* The availability of healthcare services in any facility of the Uniformed Services will not be affected by the participation or nonparticipation of a Uniformed Services beneficiary in a health care plan of a third party payer. Whether or not a Uniformed Services beneficiary is covered by a third party payer's plan will not be considered in determining the availability of healthcare services in a facility of the Uniformed Services.

(c) *Obligation to disclose information.* Uniformed services beneficiaries are required to provide correct information to the facility of the uniformed services regarding whether the beneficiary is covered by a third party payer's plan. Intentionally providing false information or otherwise willfully failing to satisfy this obligation are grounds for disqualification for health care services from facilities of the uniformed services.

(d) *Mandatory disclosure of Social Security account numbers.* Pursuant to 10 U.S.C. 1095(k)(2), every covered beneficiary eligible for care in facilities of the Uniformed Services is, as a condition of eligibility, required to disclose

to authorized personnel his or her Social Security account number.

[55 FR 21748, May 29, 1990, as amended at 57 FR 41102, Sept. 9, 1992; 63 FR 11600, Mar. 10, 1998]

§ 220.10 Special rules for Medicare supplemental plans.

(a) *Statutory obligation of Medicare supplemental plans to pay.* The obligation of a Medicare supplemental plan to pay shall be determined as if the facility of the Uniformed Services were a medicare-eligible provider and the services provided as if they were Medicare-covered services. A Medicare supplemental plan is required to pay only to the extent that the plan would have incurred a payment obligation if the services had been furnished by a Medicare eligible provider.

(b) *Inpatient hospital care charges.* (1) Notwithstanding the provisions of § 220.8, charges to Medicare supplemental plans for inpatient hospital care services provided to beneficiaries of such plans shall not, for any admission, exceed the Medicare inpatient hospital deductible amount.

(2) Only one deductible charge shall be made per hospital admission (or Medicare benefit period), regardless of whether the admission is to a facility of the Uniformed Services or a Medicare certified civilian hospital. To ensure that a Medicare supplemental insurer is not charged the inpatient hospital deductible twice when an individual who is entitled to benefits under both DoD retiree benefits and Medicare, the following payment rules apply:

(i) If a dual beneficiary is first admitted to a Medicare-certified hospital and is later admitted to a facility of the Uniformed Services within the same benefit period initiated by the admission to the Medicare-certified hospital, the facility of the Uniformed Services shall not charge the Medicare supplemental insurance plan an inpatient hospital deductible.

(ii) If a dual beneficiary is admitted first to a facility of the Uniformed Services and secondly to a Medicare-certified hospital within 60 days of discharge from the facility of the Uniformed Services, the facility of the Uniformed Services shall refund to the Medicare supplemental insurer any inpatient hospital deductible that the insurer paid to the facility of the Uniformed Services so that it may pay the deductible to the Medicare-certified hospital.

(c) *Charges for health care services other than the inpatient hospital deductible amount.* (1) The Assistant Secretary of Defense (Health Affairs) may establish special charge amounts for Medicare supplemental plans to collect reasonable costs for inpatient and outpatient copayments and other services covered by the Medicare supplemental plan. Any such schedule of charge amounts shall:

(i) Be based on percentage amounts of the per diem, per visit and other rates established by § 220.8 comparable to the percentage amounts of beneficiary financial responsibility under Medicare for the service involved;

(ii) Include adjustments, as appropriate, to identify major components of the all inclusive per diem or per visit rates for which Medicare has special rules.

(iii) Provide for offsets and/or refunds to ensure that Medicare supplemental insurers are not required to pay a limited benefit more than one time in cases in which beneficiaries receive similar services from both a facility of the uniformed services and a Medicare certified provider; and

(iv) Otherwise conform with the requirements of this section and this part.

(2) If collections are sought under paragraph (c) of this section, the effective date of such collections will be prospective from the date the Assistant Secretary of Defense (Health Affairs) provides notice of such collections, and will exempt policies in continuous effect without amendment or renewal since the date the Assistant Secretary of Defense (Health Affairs) provides notice of such collections.

(d) *Medicare claim not required.* Notwithstanding any requirement of the Medicare supplemental plan policy, a Medicare supplemental plan may not refuse payment to a claim made pursuant to this section on the grounds that no claim had previously been submitted by the provider or beneficiary for payment under the Medicare program.

(e) *Exclusion of Medicare supplemental plans prior to November 5, 1990.* This section is not applicable to Medicare supplemental plans:

(1) That have been in continuous effect without amendment since prior to November 5, 1990; and

(2) For which the facility of the Uniformed Services (or other authorized representative of the United States) makes a determination, based on documentation provided by the Medicare supplemental plan, that the plan agreement clearly excludes payment for services covered by this section. Plans entered into, amended or renewed on or after November 5, 1990, are subject to this section, as are prior plans that do not clearly exclude payment for services covered by this section.

[57 FR 41102, Sept. 9, 1992, as amended at 59 FR 49003, Sept. 26, 1994]

§ 220.11 Special rules for automobile liability insurance and no-fault automobile insurance.

(a) *Active duty members covered.* In addition to Uniformed Services beneficiaries covered by other provisions of this part, this section also applies to active duty members of the Uniformed Services. As used in this section, ''beneficiaries'' includes active duty members.

(b) *Effect of concurrent applicability of the Federal Medical Care Recovery Act*—(1) *In general.* In many cases covered by this section, the United States has a right to collect under both 10 U.S.C. 1095 and the Federal Medical Care Recovery Act (FMCRA), Pub. L. 87–693 (42 U.S.C. 2651 et seq.). In such cases, the authority is concurrent and the United States may pursue collection under both statutory authorities.

(2) *Cases involving tort liability.* In cases in which the right of the United States to collect from the automobile liability insurance carrier is premised on establishing some tort liability on some third person, matters regarding the determination of such tort liability shall be governed by the same substantive standards as would be applied under the FMCRA including reliance on state law for determinations regarding tort liability. In addition, the provisions of 28 CFR part 43 (Department of Justice regulations pertaining to the FMCRA) shall apply to claims made under the concurrent authority of the FMCRA and 10 U.S.C. 1095. All other matters and procedures concerning the right of the United States to collect shall, if a claim is made under the concurrent authority of the FMCRA and this section, be governed by 10 U.S.C. 1095 and this part.

(c) *Exclusion of automobile liability insurance and no-fault automobile insurance plans prior to November 5, 1990.* This section is not applicable to automobile liability insurance and no-fault automobile insurance plans:

(1) That have been in continuous effect without amendment since prior to November 5, 1990; and

(2) For which the facility of the Uniformed Services (or other authorized representative of the United States) makes a determination, based on documentation provided by the third party payer, that the policy or plan clearly excludes payment for services covered by this section. Plans entered into, amended or renewed on or after November 5, 1990, are subject to this section, as are prior plans that do not clearly exclude payment for services covered by this section.

[57 FR 41103, Sept. 9, 1992]

§ 220.12 Definitions.

(a) *Automobile liability insurance.* Automobile liability insurance means insurance against legal liability for health and medical expenses resulting from personal injuries arising from operation of a motor vehicle. Automobile liability insurance includes:

(1) Circumstances in which liability benefits are paid to an injured party only when the insured party's tortious acts are the cause of the injuries; and

(2) Uninsured and underinsured coverage, in which there is a third party tortfeasor who caused the injuries (i.e., benefits are not paid on a no-fault basis), but the insured party is not the tortfeasor.

(b) *CHAMPUS supplemental plan.* A CHAMPUS supplemental plan is an insurance, medical service or health plan exclusively for the purpose of supplementing an eligible person's benefit under CHAMPUS. (For information concerning CHAMPUS, see 32 CFR part 199.) The term has the same meaning as

set forth in the CHAMPUS regulation (32 CFR 199.2).

(c) *Facility of the Uniformed Services.* A facility of the Uniformed Services means any medical or dental treatment facility of the Uniformed Services (as that term is defined in 10 U.S.C. 101(43)). Contract facilities such as Navy NAVCARE clinics and Army and Air Force PRIMUS clinics that are funded by a facility of the Uniformed Services are considered to operate as an extension of the local military treatment facility and are included within the scope of this program. Facilities of the Uniformed Services also include several former Public Health Services facilities that are deemed to be facilities of the Uniformed Services pursuant to section 911 of Pub. L. 97–99 (often referred to as ''Uniformed Services Treatment Facilities'' or ''USTFs'').

(d) *Healthcare services.* Healthcare services include inpatient, outpatient, and designated high-cost ancillary services.

(e) *Inpatient hospital care.* Treatment provided to an individual other than a transient patient, who is admitted (i.e., placed under treatment or observation) to a bed in a facility of the uniformed services that has authorized beds for inpatient medical or dental care.

(f) *Insurance, medical service or health plan.* Any plan or program (subject to the limitations of § 220.6) that provides compensation or coverage for expenses incurred by a beneficiary for health or medical services and supplies. It includes:

(1) Plans or programs offered by insurers, corporations, organized health care groups or other entities.

(2) Plans or programs for which the beneficiary pays a premium to an issuing agent as well as those plans or programs to which the beneficiary is entitled as a result of employment or membership in, or association with, an organization or group; and

(3) Medicare supplemental insurance plans.

(g) *Medicare eligible provider.* Medicare participating (institutional) providers and physicians, suppliers and other individual providers eligible to participate in the Medicare program.

(h) *Medicare supplemental insurance plan.* A Medicare supplemental insurance plan is an insurance, medical service or health plan primarily for the purpose of supplementing an eligible person's benefit under Medicare. The term has the same meaning as ''Medicare supplemental policy'' in section 1882(g)(1) of the Social Security Act. In addition, consistent with 42 CFR 403.206(c), a Medicare supplemental insurance plan may consist of two policies issued in conjunction with one another, one by a nonprofit hospital association and the other by a medical association, in cases in which state law prohibits the inclusion of all benefits in a single policy.

(i) *No-fault insurance.* No-fault insurance means an insurance contract providing compensation for health and medical expenses relating to personal injury arising from the operation of a motor vehicle in which the compensation is not premised on who may have been responsible for causing such injury. No-fault insurance includes personal injury protection and medical payments benefits in cases involving personal injuries resulting from operation of a motor vehicle.

(j) *Third party payer.* A third party payer is an entity that provides an insurance, medical service or health plan by contract or agreement. It includes:

(1) State and local governments that provide such plans.

(2) Insurance underwriters and private employers (or employer groups) offering self-insured or partially self-insured and/or partially underwritten health insurance plans; and

(3) Automobile liability insurance and no-fault insurance carriers.

(k) *Third party payer plan.* A third party payer plan is any plan provided by a third party payer, but not an income supplemental plan or workers compensation plan.

(l) *Uniformed Services beneficiary.* For purposes of this part, a Uniformed Services beneficiary is any person who is covered by 10 U.S.C. 1074(b), 1076(a), or 1076(b). For purposes of § 220.11 (but not for other sections), a Uniformed Services beneficiary also includes active duty members of the Uniformed Services.

[57 FR 41103, Sept. 9, 1992]

PART 221—DEPARTMENT OF DEFENSE PARTICIPATION IN THE NATIONAL PRACTITIONER DATA BANK (NPDB)

Sec.
221.1 Purpose.
221.2 Applicability and scope.
221.3 Definitions.
221.4 Policy.
221.5 Responsibilities.
221.6 Procedures.
221.7 Information requirements.

AUTHORITY: Public Law 99–660, title IV (44 U.S.C. 11131–11152).

SOURCE: 55 FR 50321, Dec. 6, 1990, unless otherwise noted.

§221.1 Purpose.

This part:

(a) Establishes DoD policy, assigns responsibilities, and prescribes procedure for implementing Public Law 99–660, title IV and the objectives of the Memorandum of Understanding (MOU) between the Department of Health and Human Services (DHHS) and the Department of Defense, September 21, 1987, which outlines the DoD's participation in the National Practitioner Data Bank (NPDB).

(b) Specifies the content of confidential reports to the NPDB established under part B of Public Law 99–660, and reporting responsibilities.

§221.2 Applicability and scope.

This part applies to:

(a) The Office of the Secretary of Defense (OSD) and the Military Departments (including their National Guard and Reserve components). The term, ''Military Departments,'' as used herein, refers to the Army, the Navy, and the Air Force.

(b) Healthcare personnel who are in professions required to possess a license under DoD Directive 6025.6[1] and/or who are granted individual clinical privileges.

§221.3 Definitions.

(a) *Healthcare entity*. A hospital, ambulatory health clinic, or dental clinic with an independent healthcare practitioner staff that carries out professional staff review and provides healthcare to medical or dental patients; and applicable professional staff components of each Service, as designated by the respective Surgeon General, which also perform peer review as part of the quality assurance program.

(b) *Licensed healthcare practitioner*. Any healthcare practitioner of one of the professions required to possess a professional license, as prescribed in DoD Directive 6025.6.

(c) *The National Practitioner Data Bank (NPDB)*. The organization developed according to Public Law 99–660 to receive and provide data on professional competence and conduct of physicians, dentists, and other licensed healthcare providers. In Public Law 99–660, it is referred to as the ''National Data Bank.'' That name was changed after the MOU was signed.

§221.4 Policy.

It is DoD policy that:

(a) Professional review shall occur in every case of alleged malpractice.

(b) When a malpractice claim results in a monetary payment for the benefit of a physician, dentist, or other healthcare practitioner required to be licensed by DoD Directive 6025.6, it shall be reported to the NPDB.

(c) Practitioners shall have benefit of due process procedures for professional review activities under requirements of Public Law 99–660, Military Department regulations, and healthcare entity professional staff by-laws.

(d) Information on adverse privileging actions and other professional review actions shall be reported to the appropriate State agencies and the NPDB.

(1) The Department of Defense shall continue to provide State(s) of known licensure the information required by DoD Directive 6025.11.[2]

(2) Physicians and dentists shall be reported for both malpractice payment and privileging actions. All other personnel required to be licensed by DoD Directive 6025.6 shall also be reported for malpractice payments.

(3) Other healthcare personnel shall be reported for privileging actions only

[1] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

[2] See footnote 1 to §221.2(b).

after the Assistant Secretary of Defense (Health Affairs) (ASD(HA)) notifies the Military Departments to begin submitting reports on a specified category of personnel.

(e) The NPDB shall be queried during the accessioning process of a healthcare practitioner, and at least every 24 months, thereafter, as a part of the Military medical departments' recredentialing and reprivileging procedures. Inquiries on healthcare practitioners, on board at the time this part is implemented, should be performed at the time of their next recredentialing and reprivileging. If the granting of initial clinical privileges occurs more than 1 year after the query for accessioning, querying the data bank shall be required as a part of the initial privileging.

§ 221.5 Responsibilities.

(a) The Assistant Secretary of Defense (Health Affairs) (ASD(HA)) shall:

(1) Monitor implementation of this part and issue such DoD Instructions as may be necessary.

(2) Authorize exceptions to requirements of this part, if deemed necessary.

(b) The General Counsel of the Department of Defense (GC, DoD) shall provide legal advice on the interpretation and implementation of this part and any subsequent DoD Instructions.

(c) The Secretaries of the Military Departments shall implement the requirements of this part and the DoD Instructions issued under paragraph (a) of this section.

§ 221.6 Procedures.

(a) The ASD(HA) shall issue Instructions, in accordance with § 221.5(a).

(b) The Military Departments shall:

(1) Develop policy and procedures that comply with requirements of this Directive and any subsequent DoD Instructions.

(2) Ensure that their Office of the Surgeon General (OTSG) sends the appropriate information, in accordance with § 221.7, to the NPDB and the Office of the Deputy Assistant Secretary of Defense (Professional Affairs and Quality Assurance) (ODASD(PA&QA)).

(3) Ensure that the NPDB is queried appropriately, in accordance with § 221.7.

§ 221.7 Information requirements.

(a) The method of reporting information to, and querying information from, the NPDB shall be by use of the Health Resources and Services Administration (HRSA) forms or, when possible, electronically.

(b) Reports to the ODASD(PA&QA) shall be submitted through electronic means, when available. Until then, DD Form 2499, ''Health Care Provider Clinical Privileges Action Report,'' and DD Form 2526, ''Case Abstract For Malpractice Claims,'' shall be used, as appropriate.

(c) The reporting requirements in this section have been assigned Report Control Symbols DD–HA(AR)1611 and DD–HA(AR)1782.

PART 223—DEPARTMENT OF DEFENSE UNCLASSIFIED CONTROLLED NUCLEAR INFORMATION (DOD UCNI)

Sec.

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APPENDIX A TO PART 223—PROCEDURES FOR IDENTIFYING AND CONTROLLING DOD UCNI
APPENDIX B TO PART 223—GUIDELINES FOR THE DETERMINATION OF DOD UCNI

AUTHORITY: 10 U.S.C. 128 and 5 U.S.C. 552(b)(3).

SOURCE: 56 FR 64554, Dec. 11, 1991, unless otherwise noted.

§ 223.1 Purpose.

This part implements 10 U.S.C. 128 by establishing policy, assigning responsibilities, and prescribing procedures for identifying, controlling, and limiting the dissemination of unclassified information on the physical protection of DoD special nuclear material (SNM), equipment, and facilities. That information shall be referred to as ''the Department of Defense Unclassified Controlled Nuclear Information (DoD

UCNI),'' to distinguish it from a similar Department of Energy (DoE) program.

§223.2 Applicability and scope.

This part:

(a) Applies to the Office of the Secretary of Defense (OSD), the Military Departments, the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Unified and Specified Commands, the Defense Agencies, and the DoD Field Activities (hereafter referred to collectively as ''the DoD Components'').

(b) Implements 10 U.S.C. 128, which is the statutory basis for controlling the DoD UCNI in the Department of Defense. 10 U.S.C. 128 also constitutes the authority for invoking 32 CFR part 286 to prohibit mandatory disclosure of DoD UCNI under the ''Freedom of Information Act (FOIA)'' in 5 U.S.C. 552.

(c) Supplements the security classification guidance contained in CG–W–5[1] and CG–SS–1[2] and DoD Instruction 5210.67[3] by establishing procedures for identifying, controlling, and limiting the dissemination of unclassified information on the physical protection of DoD SNM.

(d) Applies to all SNM, regardless of form, in reactor cores or to other items under the direct control of the DoD Components.

(e) Applies equally to DoE UCNI under DoD control, except the statute applicable to DoE UCNI (42 U.S.C. 2011 *et seq.*) must be used with the concurrence of the DoE as the basis for invoking FOIA (section 552 of 10 U.S.C.).

§223.3 Definitions.

(a) *Atomic Energy Defense Programs.* Activities, equipment, and facilities of the Department of Defense used or engaged in support of the following:

(1) Development, production, testing, sampling, maintenance, repair, modification, assembly, utilization, transportation, or retirement of nuclear weapons or nuclear weapon components.

(2) Production, utilization, or transportation of DoD SNM for military applications.

(3) Safeguarding of activities, equipment, or facilities that support the functions in paragraphs (a) (1) and (2) of this section, including the protection of nuclear weapons, nuclear weapon components, or DoD SNM for military applications at a fixed facility or in transit.

(b) *Authorized Individual.* A person who has been granted routine access to specific DoD UCNI under 10 U.S.C. 128.

(c) *Denying Official.* An individual who denies a request made under 5 U.S.C. 552 for all, or any portion, of a document or material containing DoD UCNI.

(d) *Document or Material.* The physical medium on, or in, which information is recorded, or a product or substance which contains or reveals information, regardless of its physical form or characteristics.

(e) *Information.* Any fact or concept regardless of the physical form or characteristics of the medium on, or in, which it is recorded, contained or revealed.

(f) *Reviewing Official.* An individual who may make a determination that a document or material contains, does not contain, or no longer contains DoD UCNI.

(g) *Safeguards.* An integrated system of physical protection, material accounting, and material control measures designed to deter, prevent, detect, and respond to unauthorized possession, use, or sabotage of DoD SNM, equipment or facilities.

(h) *Special Nuclear Material Facility.* A DoD facility that performs a sensitive function (see paragraph (i) of this section).

(i) *Sensitive Function.* A function in support of atomic energy defense programs whose disruption could reasonably be expected to have a significant adverse effect on the health and safety of the public or the common defense and security (see paragraph (a) of this section).

[1] Controlled document. Not releasable to the public.

[2] Requests may be forwarded to U.S. Department of Energy (Forrestal Building), 100 Independence Avenue, SW., Attention: Distribution Office of DOE Publications, Washington, DC 20585.

[3] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

(j) *Special Nuclear Material (SNM).* Plutonium, uranium enriched in the isotope-233 or in the isotope-235, except source material or any material artificially enriched by any of the foregoing.

(k) *Special Nuclear Material Equipment.* Equipment, systems, or components whose failure or destruction would cause an impact on safeguarding DoD SNM resulting in an unacceptable interruption to a national security program or an unacceptable impact on the health and safety of the public.

(l) *Unauthorized Dissemination.* The intentional or negligent transfer, in any manner and by any person, of information contained in a document or material determined by a reviewing official to contain DoD UCNI, and so marked in accordance with the procedures in appendix A to this part, to any person or entity other than an authorized individual or a person granted special access to specific DoD UCNI under 10 U.S.C. 128.

§ 223.4 Policy.

It is DoD policy:

(a) To prohibit the unauthorized dissemination of unclassified information on security measures, including security plans, procedures, and equipment for the physical protection of DoD SNM, equipment, or facilities.

(b) That the decision to protect unclassified information as DoD UCNI shall be based on a determination that the unauthorized dissemination of such information could reasonably be expected to have a significant adverse effect on the health and safety of the public or the common defense and security by increasing significantly the likelihood of the illegal production of nuclear weapons or the theft, diversion, or sabotage of DoD SNM, equipment, or facilities.

(c) That government information shall be made publicly available to the fullest extent possible by applying the minimum restrictions consistent with the requirements of 10 U.S.C. 128 necessary to protect the health and safety of the public or the common defense and security.

(d) That nothing in this part prevents a determination that information previously determined to be DoD UCNI is classified information under applicable standards of classification.

§ 223.5 Responsibilities.

(a) The Assistant Secretary of Defense for Command, Control, Communications, and Intelligence shall:

(1) Administer the DoD program for controlling DoD UCNI.

(2) Coordinate DoD compliance with the DoE program for controlling DoE UCNI.

(3) Prepare and maintain the reports required by 10 U.S.C. 128.

(b) The Assistant Secretary of Defense (Public Affairs) shall provide guidance to the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence (ASD(C3I)), other elements of the OSD, and the Heads of the DoD Components on the FOIA (5 U.S.C. 552), as implemented in DoD 5400.7–R,[4] as it applies to the DoD UCNI Program.

(c) The Heads of the DoD Components shall:

(1) Implement this part in their DoD Components.

(2) Advise the ASD(C3I) of the following, when information not in the guidelines in appendix B to this part is determined to be DoD UCNI:

(i) Identification of the type of information to be controlled as DoD UCNI. It is not necessary to report each document or numbers of documents.

(ii) Justification for identifying the type of information as DoD UCNI, based on the guidelines in appendix B to this part and prudent application of the adverse effects test.

§ 223.6 Procedures.

Appendix A to this part outlines the procedures for controlling DoD UCNI. Appendix B to this part provides general and topical guidelines for identifying information that may qualify for protection as DoD UCNI. The procedures and guidelines in appendices A and B to this part complement the DoD Component Programs to protect other DoD-sensitive unclassified information and may be used with them.

[4] See footnote 3 to section 223.2(c).

§ 223.7 Information requirements.

(a) Section 128 of 10 U.S.C. requires that the Secretary of Defense prepare on a quarterly basis a report to be made available on the request of any interested person. Appendix A to this part outlines the procedures for preparing the quarterly report.

(b) The report is exempt from licensing in accordance with paragraph E.4.e of DoD 7750.5–M.[5]

APPENDIX A TO PART 223—PROCEDURES FOR IDENTIFYING AND CONTROLLING DOD UCNI

A. General

1. The Secretary of Defense's authority for prohibiting the unauthorized disclosure and dissemination of DoD UCNI may be exercised by the Heads of the DoD Components and by the officials to whom such authority is specifically delegated by the Heads of the DoD Components. These procedures for identifying and controlling DoD UCNI are provided as guidance for the Heads of the DoD Components to implement the Secretary of Defense's authority to prohibit the unauthorized dissemination of unclassified information on security measures, including security plans, procedures, and equipment, for the physical protection of DoD SNM, equipment, or facilities.

2. The decision to protect unclassified information as DoD UCNI shall be based on a determination that the unauthorized dissemination of such information could reasonably be expected to have an adverse effect on the health and safety of the public or the common defense and security by increasing significantly the likelihood of the illegal production of nuclear weapons or the theft, diversion, or sabotage of DoD SNM, equipment, or facilities.

3. Government information shall be made publicly available to the fullest extent possible by applying the minimum restrictions consistent with the requirements of 10 U.S.C. 128, necessary to protect the health and safety of the public or the common defense and security.

4. DoD personnel, in making a determination to protect unclassified information as DoD UCNI, shall consider the probability of an illegal production, theft, diversion, or sabotage if the information proposed for protection were made available for pubic disclosure and dissemination. The determination to protect specific documents or information is not related to the ability of DoD UCNI to be obtained by other sources. For determining the control of DoD UCNI, the cognizant official should consider how the unauthorized disclosure or dissemination of such information could assist a potential adversary in the following:

a. Selecting a target for an act of theft, diversion, or sabotage of DoD SNM, equipment, or facilities (e.g., relative importance of a facility or the location, form, and quantity of DoD SNM). Information that can be obtained by observation from public areas outside controlled locations should not be considered as DoD UCNI.

b. Planning or committing an act of theft, diversion, or sabotage of DoD SNM, equipment, or facilities (e.g., design of security systems; building plans; methods and procedures for transfer, accountability, and handling of DoD SNM; or security plans, procedures, and capabilities).

c. Measuring the success of an act of theft, diversion, or sabotage of DoD SNM, equipment, or facilities (e.g., actual or hypothetical consequences of the sabotage of specific vital equipment or facilities).

d. Illegally producing a nuclear explosive device (e.g., unclassified nuclear weapon design information useful in designing a primitive nuclear device; location of unique DoD SNM needed to fabricate such a device; or location of a nuclear weapon).

e. Dispersing DoD SNM in the environment (e.g., location, form, and quantity of DoD SNM).

5. DoD UCNI shall be identified, controlled, marked, transmitted, and safeguarded in the DoD Components, the North Atlantic Treaty Organization (NATO), and among DoD contractors, consultants, and grantees authorized to conduct official business for the Department of Defense. Contracts requiring the preparation of unclassified information that could be DoD UCNI shall have the requirements for identifying and controlling the DoD UCNI.

6. DoE GG–2[1] and DoE Orders 5635.4[2] and 5650.3[3] provide background on implementation of the UCNI Program in the DoE. The DoD Components maintaining custody of DoE UCNI should refer to those documents for its identification and control.

B. Identifying DoD UCNI

1. To be considered for protection as DoD UCNI, the information must:

a. Be unclassified.

b. Pertain to security measures, including plans, procedures, and equipment, for the physical protection of DoD SNM, equipment, or facilities.

c. Meet the adverse effects test; i.e., that the unauthorized dissemination of such information could reasonably be expected to

[5] See footnote 3 to § 223.2(c).

[1] See footnote 3 to § 223.2(c).

[2] See footnote 3 to § 223.2(c).

[3] See footnote 3 to § 223.2(c).

have an adverse effect on the health and safety of the public or the common defense and security by increasing significantly the likelihood of the illegal production of nuclear weapons or the theft, diversion, or sabotage of DoD SNM, equipment, or facilities.

2. Information, in the categories in section C. of appendix B to this part, about DOD SNM should be considered for protection as DoD UCNI.

3. Material originated before the effective date of those procedures, which is found in the normal course of business to have DoD UCNI, shall be protected as DoD UCNI. There is no requirement to conduct detailed file searches to retroactively identify and control DoD UCNI. As existing documents or materials are withdrawn from file, they should be reviewed to determine if they meet the criteria for protection as DoD UCNI and marked and controlled, accordingly.

C. Access to DOD UCNI

1. A Reviewing Official is an Authorized Individual for documents or materials that the Reviewing Official determines to contain DoD UCNI. An Authorized Individual, for DoD UCNI, may determine that another person is an Authorized Individual who may be granted routine access to the DoD UCNI, and who may further disseminate the DoD UCNI under the procedures specified in paragraph E., below. This recipient of DoD UCNI from an Authorized Individual is also an Authorized Individual for the specific DoD UCNI to which routine access has been granted. An Authorized Individual designates another person to be an Authorized Individual by the act of giving that person a document or material that contains DoD UCNI. No explicit designation or security clearance is required. This second Authorized Individual may further disseminate the UCNI under the procedures specified in section E. of the appendix.

2. A person granted routine access to DoD UCNI must have a need to know the specific DoD UCNI in the performance of official duties or of DoD-authorized activities. The recipient of the document or material shall be informed of the physical protection and access requirements for DoD UCNI. In addition to a need to know, the person must meet at least one of the following requirements:

a. The person is a U.S. citizen who is one of the following:

(1) A Federal Government employee or member of the U.S. Armed Forces.

(2) An employee of a Federal Government contractor, subcontractor, or of a prospective Federal Government contractor or subcontractor who will use the DoD UCNI for the purpose of bidding on a Federal Government contract or subcontract.

(3) A Federal Government consultant or DoD advisory committee member.

(4) A member of Congress.

(5) A staff member of a congressional committee or of an individual Member of Congress.

(6) The Governor of a State or designated State government official or representative.

(7) A local government official or an Indian tribal government official; or

(8) A member of a State, local, or Indian tribal law enforcement or emergency response organization.

b. The person is other than a U.S. citizen, and is one of the following:

(1) A Federal Government employee or a member of the U.S. Armed Forces.

(2) An employee of a Federal Government contractor or subcontractor; or

(3) A Federal Government consultant or DoD advisory committee member.

c. The person may be other than a U.S. citizen who is not otherwise eligible for routine access to DoD UCNI under paragraph C. 2.b of this appendix, but who requires routine access to specific DoD UCNI in conjunction with one of the following:

(1) An international nuclear cooperative activity approved by the Federal Government.

(2) U.S. diplomatic dealings with foreign government officials; or

(3) Provisions of treaties, mutual defense acts, or Government contracts or subcontracts.

3. A person not authorized routine access to DoD UCNI under paragraph C.2. of this appendix, may submit a request for special access to DoD UCNI to Heads of DoD Components, or their designated representative, as appropriate. A special access request must include the following information:

a. The name, current residence or business address, birthplace, birth date, and country of citizenship of the person submitting the request.

b. A description of the DoD UCNI for which special access is being requested.

c. A description of the purpose for which the DoD UCNI is needed; and

d. Certification by the requester of his or her understanding of, and willingness to abide by, the requirements for the protection of DoD UCNI contained in this part.

4. Heads of DoD Components, or their designated representative, shall base his or her decision to grant special access to DoD UCNI on an evaluation of the following criteria:

a. The sensitivity of the DoD UCNI for which special access is being requested (i.e., the worst-case, adverse effect on the health and safety of the public or the common defense and security which would result from unauthorized use of the DoD UCNI).

b. The purpose for which the DoD UCNI is needed (e.g., the DoD UCNI will be used for commercial or other private purposes, or will be used for public benefit to fulfill statutory or regulatory responsibilities).

c. The likelihood of an unauthorized dissemination by the requester of the DoD UCNI; and

d. The likelihood of the requester using the DoD UCNI for illegal purposes.

5. Heads of DoD Components, or their designated representative, shall attempt to notify a person who requests special access to DoD UCNI within 30 days of receipt of the request as to whether or not special access to the requested DoD UCNI is granted. If a final determination on the request cannot be made within 30 days of receipt of the request, Heads of DoD Components, or their designated representative, shall notify the requester, within 30 days of the request, as to when the final determination on the request may be made.

6. A person granted special access to specific UCNI is not an Authorized Individual and shall not further disseminate the DoD UCNI to which special access has been granted.

7. An Authorized Individual granting routine access to specific DoD UCNI to another person shall notify each person granted access (other than when the person being granted such access is a Federal Government employee, a member of the U.S. Armed Forces, or an employee of a Federal Government contractor or subcontractor) of applicable regulations concerning the protection of DoD UCNI and of any special dissemination limitations that the Authorized Individual determines to apply for the specific DoD UCNI to which routine access is being granted.

8. Heads of DoD Components, or their designated representative, shall notify each person granted special access to DoD UCNI of applicable regulations concerning the protection of DoD UCNI prior to dissemination of the DoD UCNI to the person.

9. The requirement to notify persons granted routine access or special access to specific DoD UCNI may be met by attachment of an appropriate cover sheet to the front of each document or material containing DoD UCNI prior to its transmittal to the person granted access.

D. Markings

1. An unclassified document with DoD UCNI shall be marked ''DoD Unclassified Controlled Nuclear Information'' at the bottom on the outside of the front cover, if any, and on the outside of the back cover, if any.

2. In an unclassified document, an individual page that has DoD UCNI shall be marked to show which of its portions contain DoD UCNI information. In marking sections, parts, paragraphs, or similar portions, the parenthetical term ''(DoD UCNI)'' shall be used and placed at the beginning of those portions with DoD UCNI.

3. In a classified document, an individual page that has both DoD UCNI and classified information shall be marked at the top and bottom of the page with the highest security classification of information appearing on that page. In marking sections, parts, paragraphs, or similar portions, the parenthetical term ''(DoD UCNI)'' shall be used and placed at the beginning of those portions with DoD UCNI. In a classified document, an individual page that has DoD UCNI, but no classified information, shall be marked ''DoD Unclassified Controlled Information'' at the bottom of the page. The DoD UCNI marking may be combined with other markings, if all relevant statutory and regulatory citations are included.

4. Other material (e.g., photographs, films, tapes, or slides) shall be marked ''DoD Unclassified Controlled Nuclear Information'' to ensure that a recipient or viewer is aware of the status of the information.

E. Dissemination and Transmission

1. DoD UCNI may be disseminated in the DoD Components, the NATO, and among the DoD contractors, consultants, and grantees on a need-to-know basis to conduct official business for the Department of Defense. Recipients shall be made aware of the status of such information, and transmission shall be by means to preclude unauthorized disclosure or dissemination. Contracts that shall require access to DoD UCNI shall require compliance with this part and the DoD Component regulations and have the requirements for the marking, handling, and safeguarding of DoD UCNI.

2. DoD holders of DoD UCNI are authorized to convey such information to officials in other Departments or Agencies on a need-to-know basis to fulfill a Government function. Transmittal documents shall call attention to the presence of DoD UCNI attachments using an appropriate statement in the text, or marking at the bottom of the transmittal document, that ''The attached document contains DoD Unclassified Controlled Nuclear Information (DoD UCNI).'' Similarly, documents transmitted shall be marked, as prescribed in section D. of this appendix.

3. DoD UCNI transmitted outside the Department of Defense requires application of an expanded marking to explain the significance of the DoD UCNI marking. That may be accomplished by typing or stamping the following statement on the document before transfer:

DEPARTMENT OF DEFENSE

UNCLASSIFIED CONTROLLED NUCLEAR INFORMATION

EXEMPT FROM MANDATORY DISCLOSURE

(5 U.S.C. 552(b)(3), as authorized by 10 U.S.C. 128)

4. When not commingled with classified information, DoD UCNI may be sent by first-class mail in a single, opaque envelope or wrapping.

5. DoD UCNI may only be discussed or transmitted over an unprotected telephone or telecommunications circuit (to include facsimile transmissions) in an emergency.

6. Each part of electronically transmitted messages with DoD UCNI shall be marked appropriately. Unclassified messages with DoD UCNI shall have the abbreviation ''DoD UCNI'' before the beginning of the text.

7. DoD UCNI may be processed, stored, or produced on stand-alone personal computers, or shared-logic work processing systems, if protection from unauthorized disclosure or dissemination, in accordance with the procedures in section F. of this appendix, can be ensured.

8. A document marked as having DoD UCNI may be reproduced minimally without permission of the originator and consistent with the need to carry out official business.

F. Safeguarding DoD UCNI

1. During normal working hours, documents determined to have DoD UCNI shall be placed in an out-of-sight location, or otherwise controlled, if the work area is accessible to unescorted personnel.

2. At the close of business, DoD UCNI material shall be stored so to preclude disclosure. Storage of such material with other unclassified documents in unlocked receptacles; i.e., file cabinets, desks, or bookcases, is adequate, when normal Government or Government-contractor internal building security is provided during nonduty hours. When such internal building security is not provided, locked rooms or buildings normally provide adequate after-hours protection. If such protection is not considered adequate, DoD UCNI material shall be stored in locked receptacles; i.e., file cabinets, desks, or bookcases.

3. Nonrecord copies of DoD UCNI materials must be destroyed by tearing each copy into pieces to reasonably preclude reconstruction and placing the pieces in regular trash containers. If the sensitivity or volume of the information justifies it, DoD UCNI material may be destroyed in the same manner as classified material rather than by tearing. Record copies of DoD UCNI documents shall be disposed of, in accordance with the DoD Components' record management regulations. DoD UCNI on magnetic storage media shall be disposed of by overwriting to preclude its reconstruction.

4. The unauthorized disclosure of DoD UCNI material does not consititute disclosure of DoD information that is classified for security purposes. Such disclosure of DoD UCNI justifies investigative and administrative actions to determine cause, assess impact, and fix responsibility. The DoD Component that originated the DoD UCNI information shall be informed of its unauthorized disclosure and the outcome of the investigative and administrative actions.

G. Retirement of Document of Material

1. Any unclassified document or material which is not marked as containing DoD UCNI but which may contain DoD UCNI shall be marked upon retirement in accordance with the DoD Components' record management regulations.

2. A document or material marked as containing DoD UCNI is not required to be reviewed by a Reviewing Official upon or subsequent to retirement. A Reviewing Official shall review any retired document or material upon a request for its release made under 5 U.S.C. 552.

H. Requests for Public Release of DoD UCNI

DoD 5400.7–R applies. Information that qualifies as DoD UCNI, under 10 U.S.C. 128, is exempt from mandatory disclosure under 5 U.S.C. 552. Consequently, requests for the public release of DoD UCNI shall be denied under 5 U.S.C. 552(b)(3), citing 10 U.S.C. 128 as authority.

I. Reports

The Assistant Secretary of Defense for Command, Control, Communications, and Intelligence shall prepare and maintain the quarterly reports required by 10 U.S.C. 128. The Heads of the DoD Components shall advise the ASD(C3I) when information not in the guidelines in appendix B to this part is determined to be DoD UCNI. Those reports shall have the following information:

1. Identification of the information to be controlled as DoD UCNI. It is not necessary to report each document or numbers of documents.

2. Justification for identifying the type of information to be controlled as DoD UCNI.

3. Certification that only the minimal information necessary to protect the health and safety of the public or the common defense and security is being controlled as DoD UCNI.

APPENDIX B TO PART 223—GUIDELINES FOR THE DETERMINATION OF DOD UCNI

A. Use of Determination of DoD UCNI Guidelines

1. These guidelines for determining DoD UCNI are the bases for determining what unclassified information about the physcial protection of DoD SNM, equipment or facilities in a given technical or programmatic subject area is DoD UCNI.

2. The decision to protect unclassified information as DoD UCNI shall be based on a

determination that the unauthorized dissemination of such information could reasonably be expected to have an adverse effect on the health and safety of the public or the common defense and security by increasing significantly the likelihood of the illegal production of nuclear weapons or the theft, diversion, or sabotage of SNM, equipment, or facilities.

B. General

1. The policy for protecting unclassified information about the physical protection of DoD SNM, equipment, or facilities is to protect the public's interest by controlling certain unclassified Government information so to prevent the adverse effects described in section D. of this appendix and in appendix A to this part, without restricting public availability of information that would not result in those adverse effects.

2. In controlling DoD SNM information, only the minimum restrictions needed to protect the health and safety of the public or the common defense and security shall be applied to prohibit the disclosure and dissemination of DoD UCNI.

3. Any material that has been, or is, widely and irretrievably disseminated into the public domain and whose dissemination was not, or is not, under Government control is exempt from control under these guidelines. However, the fact that information is in the public domain is not a sufficient basis for determining that similar or updated Government-owned and -controlled information in another document or material is not, or is no longer, DoD UCNI; case-by-case determinations are required.

C. Topical Guidance

The following elements of information shall be considered by the DoD Components during the preparation of unclassified information about the physical protection of DoD SNM to determine if it qualifies for control as DoD UCNI:

1. VULNERABILITY ASSESSMENTS

a. General vulnerabilities that could be associated with specific DoD SNM, equipment, or facility locations.

b. The fact that DoD SNM facility security-related projects or upgrades are planned or in progress.

c. Identification and description of security system components intended to mitigate the consequences of an accident or act of sabotage at a DoD SNM facility.

2. MATERIAL CONTROL AND ACCOUNTABILITY

a. Total quantity or categories of DoD SNM at a facility.

b. Control and accountability plans or procedures.

c. Receipts that, cumulatively, would reveal quantities and categories of DoD SNM of potential interest to an adversary.

d. Measured discards, decay losses, or losses due to fission and transmutation for a reporting period.

e. Frequency and schedule of DoD SNM inventories.

3. FACILITY DESCRIPTION

a. Maps, conceptual design, and construction drawings of a DoD SNM facility showing construction characteristics of building and associated electrical systems, barriers, and back-up power systems not observable from a public area.

b. Maps, plans, photographs, or drawings of man-made or natural features in a DoD SNM facility not observable from a public area; i.e., tunnels, storm or waste sewers, water intake and discharge conduits, or other features having the potential for concealing surreptitious movement.

4. INTRUSION DETECTION AND SECURITY ALARM SYSTEMS

a. Information on the layout or design of security and alarm systems at a specific DoD SNM facility, if the information is not observable from a public area.

b. The fact that a particular system make or model has been installed at a specific DoD SNM facility, if the information is not observable from a public area.

c. Performance characteristics of installed systems.

5. KEYS, LOCKS, COMBINATIONS, AND TAMPER-INDICATING DEVICES

a. Types and models of keys, locks, and combinations of locks used in DoD SNM facilities and during shipment.

b. Method of application of tamper-indicating devices.

c. Vulnerability information available from unclassified vendor specifications.

6. THREAT RESPONSE CAPABILITY AND PROCEDURES

a. Information about arrangements with local, State, and Federal law enforcement Agencies of potential interest to an adversary.

b. Information in ''nonhostile'' contingency plans of potential value to an adversary to defeat a security measure; i.e., fire, safety, nuclear accident, radiological release, or other administrative plans.

c. Required response time of security forces.

7. PHYSICAL SECURITY EVALUATIONS

a. Method of evaluating physical security measures not observable from public areas.

b. Procedures for inspecting and testing communications and security systems.

8. IN-TRANSIT SECURITY

a. Fact that a shipment is going to take place.

b. Specific means of protecting shipments.

c. Number and size of packages.

d. Mobile operating and communications procedures that could be exploited by an adversary.

e. Information on mode, routing, protection, communications, and operations that must be shared with law enforcement or other civil agencies, but not visible to the public.

f. Description and specifications of transport vehicle compartments or security systems not visible to the public.

9. INFORMATION ON NUCLEAR WEAPON STOCKPILE AND STORAGE REQUIREMENT, NUCLEAR WEAPON DESTRUCTION AND DISABLEMENT SYSTEMS, AND NUCLEAR WEAPONS PHYSICAL CHARACTERISTICS

Refer to CG–W–5 for guidance about the physical protection of information on nuclear weapon stockpile and storage requirements, nuclear weapon destruction and disablement systems, and nuclear weapon physical characteristics that may, under certain circumstances, be unclassified. Such information meets the adverse effects test shall be protected as DoD UCNI.

PART 224—DoD COMMITTEE MANAGEMENT PROGRAM

Sec.
224.1 Purpose.
224.2 Applicability.
224.3 Definitions.
224.4 Policy.
224.5 Responsibilities.

AUTHORITY: 10 U.S.C. 137.

SOURCE: 55 FR 5002, Feb. 13, 1990, unless otherwise noted.

§ 224.1 Purpose.

This part:

(a) Revises 32 CFR part 224 and updates the policy, procedures, and responsibilities for the Department of Defense (DoD) Committee Management Program.

(b) Excludes Federal advisory committees from coverage under this part. They shall be established and administered in accordance with the provisions of DoD Directive 5105.4.[1]

[1] Copies may be obtained, at cost, from the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, VA 22161.

§ 224.2 Applicability.

This Directive applies to the Office of the Secretary of Defense (OSD), the Military Departments, the Joint Chiefs of Staff (JCS) and Joint Staff, the Unified and Specified Commands, the Defense Agencies, and the DoD Field Activities (hereafter referred to collectively as ''DoD Components'').

§ 224.3 Definitions.

(a) *Heads of OSD Organizations.* The Under Secretaries of Defense; Assistant Secretaries of Defense; Director of Defense Research and Engineering; DoD Comptroller; DoD General Counsel; DoD Inspector General; Director, Operational Test and Evaluation; Assistants to the Secretary of Defense; and, the Director, Administration and Management.

(b) *Committee.* A body of persons with a collective responsibility appointed to consider, investigate, advise, take action, and report on specific problems or subject areas. The prime characteristics of committees are their corporate and collective responsibility, and their permanent or ongoing (versus ad hoc) nature. The term ''committee'' applies to any committee, board, commission, council, conference, panel, task force, or other similar group or any subcommittee or sub-group thereof that is composed of officials of the U.S. or a foreign government, and is established by the direction of the DoD Component Head.

(1) *Operational Committee.* One whose primary functions and responsibilities are operational, rather than advisory.

(2) *Interagency Committee.* Any committee composed wholly of representatives from two or more U.S. Government agencies.

(3) *International Committee.* Any committee established by formal agreement between the United States and the government of another country or countries or by an international body in which the United States participates.

(4) *Intra-Component Committee.* Any committee composed wholly of representatives from one DoD Component.

(5) *Joint DoD Committee.* Any committee composed wholly of DoD representatives from two or more DoD Components.

§ 224.4 Policy.

It is DoD policy that:

(a) Committees shall be established only when their functions cannot be accomplished within the existing organizational structure.

(b) Committees shall be established to perform such tasks as fact-finding, research, evaluation, studies, and reviews.

(c) Committees may be established to perform operational, administrative, or management functions.

(d) When establishing committees, consideration shall be given to ensuring necessity, economy and efficiency of operation, and execution within resource constraints.

(e) Committees shall be disestablished when the purpose for which they were established has been served.

(f) Nothing contained in this part shall be construed to limit or restrict the free exchange of information, advice, and ideas between representatives of DoD Components or other Federal Agencies through ad hoc occasional meetings or other means.

§ 224.5 Responsibilities.

(a) The *Director of Administration and Management, Office of the Secretary of Defense (DA&M, OSD), or his designee,* shall:

(1) Provide policy guidance on the DoD Committee Management Program to DoD Components.

(2) Represent the Department of Defense and maintain liaison with the Congress, General Accounting Office (GAO), Office of Management and Budget (OMB), and other Government agencies, as required, on matters involving the DoD Committee Management Program.

(3) Obtain such information, analyses, reports, and assistance from DoD Components as is required to respond to inquiries from the Congress, GAO, OMB, and other Government agencies, consistent with the provisions of DoD Directive 7750.5.[2]

(4) Serve as DoD Committee Management Officer with responsibility to monitor compliance with the provisions of this part.

(b) The *Heads of DoD Components, or their designees,* shall:

(1) Ensure that the committees under their cognizance are established and administered consistent with the provisions of this part.

(2) Develop operating procedures and provide supplemental guidance as required for the efficient operation of the committees under their cognizance.

(3) Administer their committee management programs, including: the approval or disapproval of proposals for the establishment, revision, continuation, or termination of operational, interagency, international, intra-Component, and joint DoD committees under their cognizance; the development of pertinent operating documents such as charters, membership lists, terms of reference, memoranda of understanding, and international agreements; and, the maintenance and disposition of reports, records, and minutes of meetings.

(4) Approve or disapprove proposals for participation by their Components on committees chaired by another DoD Component, Government agency, or foreign government.

(5) Maintain information about the program, objectives, and activities of each committee established within their Component and provide such information, when requested, to the DA&M.

(6) Conduct periodic reviews of existing committees, and evaluate recommendations for their revision, consolidation, or termination.

(7) Designate a Committee Management Officer to assist in the performance of the above responsibilities.

[2] See § 224.1(b).

PART 226—SHELTER FOR THE HOMELESS

Sec.
226.1 Purpose.
226.2 Applicability.
226.3 Policy.
226.4 Responsibilities.
226.5 Effective date and implementation.

AUTHORITY: 10 U.S.C. 2546.

SOURCE: 52 FR 42638, Nov. 6, 1987, unless otherwise noted.

§ 226.1 Purpose.

This part implements 10 U.S.C. 2546 by establishing Department of Defense policy for the Department of Defense Shelter for the Homeless Program.

§ 226.2 Applicability.

This part applies to the Office of the Secretary of Defense (OSD), the Military Departments (including their National Guard and Reserve components), the Unified and Specified Commands, the Defense Agencies, and Department of Defense Field Activities (hereafter referred to collectively as ''Department of Defense Components'').

§ 226.3 Policy.

(a) By Memorandum for the Secretaries of the Military Departments from the Secretary of Defense dated October 29, 1984, and entitled: ''Shelter for the Homeless'', the Secretary of Defense stated it is Department of Defense policy that shelters for the homeless may be established on military installations.

(b) The Secretary of a Military Department, or designee, may make military installations under his or her jurisdiction available for the furnishing of shelter to persons without adequate shelter in accordance with 10 U.S.C. 2546 and this part if he or she, or designee, determines that such shelter will not interfere with military preparedness or ongoing military functions.

(c) The Secretary of a Military Department, after determining that a shelter for the homeless may be established on a military installation, shall ensure that the plans for the shelter be developed in cooperation with appropriate State or local governmental entities and charitable organizations. The State or local government entity, either separately or in conjunction with the charitable organization, shall be responsible for operating and staffing any shelter established under the Shelter for the Homeless Program.

(d) Services that may be provided by a Military Department incident to the furnishing of shelter under 10 U.S.C. 2546 are the following:

(1) Utilities.

(2) Bedding.

(3) Security.

(4) Transportation.

(5) Renovation of facilities.

(6) Minor repairs undertaken specifically to make suitable space available for shelter to be provided in accordance with 10 U.S.C. 2546 and this part.

(7) Property liability insurance.

(e) The Military Departments should be especially sensitive to establishing shelters in the following areas:

(1) Family housing areas,

(2) Troop billeting areas,

(3) Service facilities such as commissaries, exchanges, dining facilities, hospitals, clinics, recreation centers, etc.,

(4) Safety arcs formed by firing ranges and impact areas,

(5) Frequently used training areas.

(f) Shelters for the homeless shall normally be established in only those facilities where the homeless will have exclusive use at all times. Shelters for the homeless shall normally not be established in facilities ''shared'' with military functions.

(g) In addition to providing shelter and incidental services, Department of Defense Components may provide bedding for support of shelters for the homeless that are located on other than Department of Defense real property. Bedding may be provided without reimbursement, but may only be provided to the extent that the provision of such bedding will not interfere with military requirements.

(h) Individuals or entities interested in establishing shelters on military installations shall:

(1) Submit a request to the Installation Commander where the shelter is desired, and

(2) Provide, at a minimum, the following data: The name and address of the organization that will operate the shelter, the name and address of the affiliated state or local governmental entity, numbers of people to be served, type of program, hours of operation, special needs of the people to be served, incidental services required, estimated date when the services are requested, estimate of when services will no longer be necessary, and what security provisions are to be provided (physical security).

§226.4 Responsibilities.

(a) The Deputy Assistant Secretary of Defense (Installations) shall:

(1) Administer the Homeless Assistance Program and issue such supplemental guidance as is necessary.

(2) Appoint an individual as Director, The Homeless Assistance Program, who shall be the Department of Defense program manager responsible for monitoring the Shelter for the Homeless program and answering all inquiries.

(b) The Assistance Secretary of Defense (Comptroller) shall provide guidance on the use of Department of Defense funds to finance the items issued in support of the Shelter for the Homeless program.

(c) The Secretaries of the Military Departments shall:

(1) Implement the Shelter for the Homeless program.

(2) Appoint a senior manager to monitor the Shelter for the Homeless program within that Department and to provide any assistance that may be required to the Deputy Assistant Secretary of Defense (Installations). Such official, after consultation with the Director, The Homeless Assistance Program ODASD(I), shall approve or disapprove all requests to establish a Shelter for the Homeless in accordance with 10 U.S.C. 2546 and this part.

(3) Ensure that upon receipt of a formal request for assistance, as defined in §226.3(h) of this part, the Military Department concerned provides an appropriate response to the requester within 30 days.

(4) Ensure that each Installation Commander is informed about the Shelter for the Homeless Program and the types of assistance that they may provide as authorized by 10 U.S.C. 2546 and this part.

(d) Department of Defense Installation Commanders shall:

(1) Acknowledge all requests for assistance.

(2) Upon receipt of a request, initiate such action as is necessary to determine the availability of facilities at that installation for use as a shelter for the homeless.

(3) Forward each request, through the chain of command, to the Service Senior Manager with a copy to the DASD(I). The Installation Commander's recommendation shall accompany each request.

§226.5 Effective date and implementation.

This part is effective October 30, 1987. Forward one copy of implementing documents to the Deputy Assistant Secretary of Defense (Installations) within 60 days.

PART 228—SECURITY PROTECTIVE FORCE

Sec.

228.1 Applicability.
228.2 Control of activities on protected property.
228.3 Restrictions on admission to protected property.
228.4 Control of vehicles on protected property.
228.5 Enforcement of parking regulations.
228.6 Security inspection.
228.7 Prohibition on weapons and explosives.
228.8 Prohibition on photographic or electronic recording or transmitting equipment.
228.9 Prohibition on narcotics and illegal substances.
228.10 Prohibition on alcohol.
228.11 Restrictions on the taking of photographs.
228.12 Physical protection of facilities.
228.13 Disturbances on protected property.
228.14 Prohibition on gambling.
228.15 Restriction regarding animals.
228.16 Soliciting, vending, and debt collection.
228.17 Distribution of unauthorized materials.
228.18 Penalties and the effect on other laws.

AUTHORITY: 40 U.S.C. 318–318c.

SOURCE: 59 FR 5948, Feb. 9, 1994, unless otherwise noted.

§228.1 Applicability.

This part applies to all property under the charge and control of the Director, NSA, and to all persons entering in or on such property (hereinafter referred to as ''protected property''). Employees of the NSA and any other persons entering upon protected property shall be subject to these regulations.

§ 228.2 Control of activities on protected property.

Persons in and on protected property shall at all times comply with official signs of a prohibitory, regulatory, or directory nature and with the direction of Security Protective Officers and any other duly authorized personnel.

§ 228.3 Restrictions on admission to protected property.

Access to protected property shall be restricted to ensure the orderly and secure conduct of Agency business. Admission to protected property will be restricted to employees and other persons with proper authorization who shall, when requested, display government or other identifying credentials to the Security Protective Officers or other duly authorized personnel when entering, leaving, or while on the property.

§ 228.4 Control of vehicles on protected property.

Drivers of all vehicles entering or while on protected property shall comply with the signals and directions of Security Protective Officers or other duly authorized personnel and any posted traffic instructions. All vehicles shall be driven in a safe and careful manner at all times, in compliance with applicable motor vehicle laws.

§ 228.5 Enforcement of parking regulations.

For reasons of security, parking regulations shall be strictly enforced. Except with proper authorization, parking on protected property is not allowed without a permit. Parking without a permit or other authorization, parking in unauthorized locations or in locations reserved for other persons, or parking contrary to the direction of posted signs or applicable state or federal laws and regulations is prohibited. Vehicles parked in violation, where warning signs are posted, shall be subject to removal at the owner's risk, which shall be in addition to any penalties assessed pursuant to § 228.18. The Agency assumes no responsibility for the payment of any fees or costs related to such removal which may be charged to the owner of the vehicle by the towing organization. This paragraph may be supplemented from time to time with the approval of the NSA Director of Security or his designee by the issuance and posting of such specific traffic directives as may be required, and when so issued and posted such directives shall have the same force and effect as if made a part hereof. Proof that a vehicle was parked in violation of these regulations or directives may be taken as *prima facie* evidence that the registered owner was responsible for the violation.

§ 228.6 Security inspection.

Any personal property, including but not limited to any packages, briefcases, containers or vehicles brought into, while on, or being removed from protected property are subject to inspection. A search of a person may accompany an investigative stop or an arrest.

§ 228.7 Prohibition on weapons and explosives.

No persons entering or while on protected property shall carry or possess, either openly or concealed, firearms, any illegal or legally controlled weapon (e.g., throwing stars, switchblades), explosives, or items intended to be used to fabricate an explosive or incendiary device, except as authorized by the NSA Director of Security or his designee at each Agency facility. The use of chemical agents (Mace, tear gas, etc.) on protected property in circumstances that do not include an immediate and unlawful threat of physical harm to any person or persons is prohibited; however, this prohibition does not apply to use by law enforcement personnel in the performance of their duties.

§ 228.8 Prohibition on photographic or electronic recording or transmitting equipment.

No person entering or while on protected property shall bring or possess any kind of photographic, recording or transmitting equipment (including but not limited to cameras, cellular telephones, or recorders), except as specially authorized by the NSA Director of Security or his designee at each Agency facility.

§228.9 Prohibition on narcotics and illegal substances.

Entering or being on protected property under the influence of, or while using or possessing, any narcotic drug, hallucinogen, marijuana, barbiturate or amphetamine is prohibited. Operation of a motor vehicle entering or while on protected property by a person under the influence of narcotic drugs, hallucinogens, marijuana, barbiturates or amphetamines is also prohibited. These prohibitions shall not apply in cases where the drug is being used as prescribed for a patient by a licensed physician.

§228.10 Prohibition on alcohol.

Entering or being on protected property under the influence of alcoholic beverages is prohibited. Operation of a motor vehicle entering or while on protected property by a person under the influence of alcoholic beverages is prohibited. The use of alcoholic beverages on protected property is also prohibited, except on occasions and on protected property for which the NSA Deputy Director for Support Services or his designee has granted approval for such use.

§228.11 Restrictions on the taking of photographs.

In order to protect the security of the Agency's facilities, photographs may be taken on protected property only with the consent of the NSA Director of Security or his designee. The taking of photographs includes the use of television cameras, video taping equipment, and still or motion picture cameras.

§228.12 Physical protection of facilities.

The willful destruction of, or damage to any protected property, or any buildings or personal property thereon, is prohibited. The theft of any personal property, the creation of any hazard on protected property to persons or things, and the throwing of articles of any kind at buildings or persons on protected property is prohibited. The improper disposal of trash or rubbish, or any unauthorized or hazardous materials on protected property is also prohibited.

§228.13 Disturbances on protected property.

Any conduct which impedes or threatens the security of protected property, or any buildings or persons thereon, or which disrupts the performance of official duties by Agency employees, or which interferes with ingress to or egress from protected property is prohibited. Also prohibited is any disorderly conduct, any failure to obey an order to depart the premises, any unwarranted loitering, any behavior which creates loud or unusual noise or nuisance, or any conduct which obstructs the usual use of entrances, foyers, lobbies, corridors, offices, elevators, stairways or parking lots.

§228.14 Prohibition on gambling.

Participating in games for money or other personal property, or the operating of gambling devices, the conduct of a lottery, or the selling or purchasing of numbers tickets, in or on protected property is prohibited. This prohibition shall not apply to the vending or exchange of chances by licensed blind operators of vending facilities for any lottery set forth in a State law and conducted by an agency of a State as authorized by section 2(a)(5) of the Randolph-Sheppard Act, as amended (20 U.S.C. 107(a)(5)).

§228.15 Restriction regarding animals.

No animals except guide dogs for the blind or hearing impaired, or guard or search dogs used by authorized state or federal officials, shall be brought upon protected property, except as authorized by the NSA Director of Security or his designee at each Agency facility.

§228.16 Soliciting, vending, and debt collection.

Commercial or political soliciting, vending of all kinds, displaying or distributing commercial advertising, collecting private debts or soliciting alms on protected property is prohibited. This does not apply to:

(a) National or local drives for welfare, health, or other purposes as authorized by the ''Manual on Fund Raising Within the Federal Service,'' issued by the U.S. Office of Personnel Management under Executive Order 12353, 47 FR 12785, 3 CFR, 1982 Comp., p. 139,

or by other federal laws or regulations; and

(b) Authorized employee notices posted on Agency bulletin boards.

§ 228.17 Distribution of unauthorized materials.

Distributing, posting or affixing materials, such as pamphlets, handbills, or flyers, on protected property is prohibited, except as provided by § 228.16, as authorized by the NSA Director of Security or his designee at each Agency facility, or when conducted as part of authorized Government activities.

§ 228.18 Penalties and the effect on other laws.

Whoever shall be found guilty of violating any provision of these regulations is subject to a fine of not more than $50 or imprisonment of not more than 30 days, or both. In the case of traffic and parking violations, fines assessed shall be in accordance with the schedule(s) of fines adopted by the United States District Court for the District where the offense occurred. Nothing in these regulations shall be construed to abrogate or supersede any other Federal laws or any State or local laws or regulations applicable to any area in which the protected property is situated.

PART 229—PROTECTION OF ARCHAEOLOGICAL RESOURCES: UNIFORM REGULATIONS

Sec.

229.1 Purpose.
229.2 Authority.
229.3 Definitions.
229.4 Prohibited acts and criminal penalties.
229.5 Permit requirements and exceptions.
229.6 Application for permits, and information collection.
229.7 Notification to Indian tribes of possible harm to, or destruction of, sites on public lands having religious or cultural importance.
229.8 Issuance of permits.
229.9 Terms and conditions of permits.
229.10 Suspension and revocation of permits.
229.11 Appeals relating to permits.
229.12 Relationship to section 106 of the National Historic Preservation Act.
229.13 Custody of archaeological resources.
229.14 Determination of archaeological or commercial value and cost of restoration and repair.
229.15 Assessment of civil penalties.
229.16 Civil penalty amounts.
229.17 Other penalties and rewards.
229.18 Confidentiality of archaeological resource information.
229.19 Report.
229.20 Public awareness programs.
229.21 Surveys and schedules.

NOTE: The information collection and reporting requirements in this part were approved by the Office of Management and Budget under control number 1024–0037.

AUTHORITY: Pub. L. 96–95, 93 Stat. 721, as amended, 102 Stat. 2983 (16 U.S.C. 470aa–mm) (Sec. 10(a). Related Authority: Pub. L. 59–209, 34 Stat. 225 (16 U.S.C. 432, 433); Pub. L. 86–523, 74 Stat. 220, 221 (16 U.S.C. 469), as amended, 88 Stat. 174 (1974); Pub. L. 89–665, 80 Stat. 915 (16 U.S.C. 470a–t), as amended, 84 Stat. 204 (1970), 87 Stat. 139 (1973), 90 Stat. 1320 (1976), 92 Stat. 3467 (1978), 94 Stat. 2987 (1980); Pub. L. 95–341, 92 Stat. 469 (42 U.S.C. 1996).

SOURCE: 49 FR 1027, Jan. 6, 1984, unless otherwise noted.

§ 229.1 Purpose.

(a) The regulations in this part implement provisions of the Archaeological Resources Protection Act of 1979, as amended (16 U.S.C. 470aa–mm) by establishing the uniform definitions, standards, and procedures to be followed by all Federal land managers in providing protection for archaeological resources, located on public lands and Indian lands of the United States. These regulations enable Federal land managers to protect archaeological resources, taking into consideration provisions of the American Indian Religious Freedom Act (92 Stat. 469; 42 U.S.C. 1996), through permits authorizing excavation and/or removal of archaeological resources, through civil penalties for unauthorized excavation and/or removal, through provisions for the preservation of archaeological resource collections and data, and through provisions for ensuring confidentiality of information about archaeological resources when disclosure would threaten the archaeological resources.

(b) The regulations in this part do not impose any new restrictions on activities permitted under other laws, authorities, and regulations relating to

mining, mineral leasing, reclamation, and other multiple uses of the public lands.

[49 FR 1027, Jan. 6, 1984, as amended at 60 FR 5260, Jan. 26, 1995]

§229.2 Authority.

(a) The regulations in this part are promulgated pursuant to section 10(a) of the Archaeological Resources Protection Act of 1979 (16 U.S.C. 470ii), which requires that the Secretaries of the Interior, Agriculture and Defense and the Chairman of the Board of the Tennessee Valley Authority jointly develop uniform rules and regulations for carrying out the purposes of the Act.

(b) In addition to the regulations in this part, section 10(b) of the Act (16 U.S.C. 470ii) provides that each Federal land manager shall promulgate such rules and regulations, consistent with the uniform rules and regulations in this part, as may be necessary for carrying out the purposes of the Act.

§229.3 Definitions.

As used for purposes of this part:

(a) *Archaeological resource* means any material remains of human life or activities which are at least 100 years of age, and which are of archaeological interest.

(1) *Of archaeological interest* means capable of providing scientific or humanistic understandings of past human behavior, cultural adaptation, and related topics through the application of scientific or scholarly techniques such as controlled observation, contextual measurement, controlled collection, analysis, interpretation and explanation.

(2) *Material remains* means physical evidence of human habitation, occupation, use, or activity, including the site, location, or context in which such evidence is situated.

(3) The followiing classes of material remains (and illustrative examples), if they are at least 100 years of age, are of archaeological interest and shall be considered archaeological resources unless determined otherwise pursuant to paragraph (a)(4) or (a)(5) of this section:

(i) Surface or subsurface structures, shelters, facilities, or features (including, but not limited to, domestic structures, storage structures, cooking structures, ceremonial structures, artificial mounds, earthworks, fortifications, canals, reservoirs, horticultural/agricultural gardens or fields, bedrock mortars or grinding surfaces, rock alignments, cairns, trails, borrow pits, cooking pits, refuse pits, burial pits or graves, hearths, kilns, post molds, wall trenches, middens);

(ii) Surface or subsurface artifact concentrations or scatters;

(iii) Whole or fragmentary tools, implements, containers, weapons and weapon projectiles, clothing, and ornaments (including, but not limited to, pottery and other ceramics, cordage, basketry and other weaving, bottles and other glassware, bone, ivory, shell, metal, wood, hide, feathers, pigments, and flaked, ground, or pecked stone);

(iv) By-products, waste products, or debris resulting from manufacture or use of human-made or natural materials;

(v) Organic waste (including, but not limited to, vegetal and animal remains, coprolites);

(vi) Human remains (including, but not limited to, bone, teeth, mummified flesh, burials, cremations);

(vii) Rock carvings, rock paintings, intaglios and other works of artistic or symbolic representation;

(viii) Rockshelters and caves or portions thereof containing any of the above material remains;

(ix) All portions of shipwrecks (including, but not limited to, armaments, apparel, tackle, cargo);

(x) Any portion or piece of any of the foregoing.

(4) The following material remains shall not be considered of archaeological interest, and shall not be considered to be archaeological resources for purposes of the Act and this part, unless found in a direct physical relationship with archaeological resources as defined in this section:

(i) Paleontological remains;

(ii) Coins, bullets, and unworked minerals and rocks.

(5) The Federal land manager may determine that certain material remains, in specified areas under the Federal land manager's jurisdiction, and under specified circumstances, are not or are no longer of archaeological

interest and are not to be considered archaeological resources under this part. Any determination made pursuant to this subparagraph shall be documented. Such determination shall in no way affect the Federal land manager's obligations under other applicable laws or regulations.

(6) For the disposition following lawful removal or excavations of Native American human remains and ''cultural items'', as defined by the Native American Graves Protection and Repatriation Act (NAGPRA; Pub. L. 101–601; 104 Stat. 3050; 25 U.S.C. 3001–13), the Federal land manager is referred to NAGPRA and its implementing regulations.

(b) *Arrowhead* means any projectile point which appears to have been designed for use with an arrow.

(c) *Federal land manager* means:

(1) With respect to any public lands, the secretary of the department, or the head of any other agency or instrumentality of the United States, having primary management authority over such lands, including persons to whom such management authority has been officially delegated;

(2) In the case of Indian lands, or any public lands with respect to which no department, agency or instrumentality has primary management authority, such term means the Secretary of the Interior;

(3) The Secretary of the Interior, when the head of any other agency or instrumentality has, pursuant to section 3(2) of the Act and with the consent of the Secretary of the Interior, delegated to the Secretary of the Interior the responsibilities (in whole or in part) in this part.

(d) *Public lands* means:

(1) Lands which are owned and administered by the United States as part of the national park system, the national wildlife refuge system, or the national forest system; and

(2) All other lands the fee title to which is held by the United States, except lands on the Outer Continental Shelf, lands under the jurisdiction of the Smithsonian Institution, and Indian lands.

(e) *Indian lands* means lands of Indian tribes, or Indian individuals, which are either held in trust by the United States or subject to a restriction against alienation imposed by the United States, except for subsurface interests not owned or controlled by an Indian tribe or Indian individual.

(f) *Indian tribe* as defined in the Act means any Indian tribe, band, nation, or other organized group or community, including any Alaska village or regional or village corporation as defined in, or established pursuant to, the Alaska Native Claims Settlement Act (85 Stat. 688). In order to clarify this statutory definition for purposes of this part, ''Indian tribe'' means:

(1) Any tribal entity which is included in the annual list of recognized tribes published in the FEDERAL REGISTER by the Secretary of the Interior pursuant to 25 CFR part 54;

(2) Any other tribal entity acknowledged by the Secretary of the Interior pursuant to 25 CFR part 54 since the most recent publication of the annual list; and

(3) Any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (85 Stat. 688), and any Alaska Native village or tribe which is recognized by the Secretary of the Interior as eligible for services provided by the Bureau of Indian Affairs.

(g) *Person* means an individual, corporation, partnership, trust, institution, association, or any other private entity, or any officer, employee, agent, department, or instrumentality of the United States, or of any Indian tribe, or of any State or political subdivision thereof.

(h) *State* means any of the fifty states, the District of Columbia, Puerto Rico, Guam, and the Virgin Islands.

(i) *Act* means the Archaeological Resources Protection Act of 1979 (16 U.S.C. 470aa–mm).

[49 FR 1027, Jan. 6, 1984, as amended at 49 FR 5923, Feb. 16, 1984; 60 FR 5260, Jan. 26, 1995]

§ 229.4 Prohibited acts and criminal penalties.

(a) Under section 6(a) of the Act, no person may excavate, remove, damage, or otherwise alter or deface, or attempt to excavate, remove, damage, or otherwise alter or deface any archaeological

resource located on public lands or Indian lands unless such activity is pursuant to a permit issued under §229.8 or exempted by §229.5(b) of this part.

(b) No person may sell, purchase, exchange, transport, or receive any archaeological resource, if such resource was excavated or removed in violation of:

(1) The prohibitions contained in paragraph (a) of this section; or

(2) Any provision, rule, regulation, ordinance, or permit in effect under any other provision of Federal law.

(c) Under section (d) of the Act, any person who knowingly violates or counsels, procures, solicits, or employs any other person to violate any prohibition contained in section 6 (a), (b), or (c) of the Act will, upon conviction, be fined not more than $10,000.00 or imprisoned not more than one year, or both: provided, however, that if the commercial or archaeological value of the archaeological resources involved and the cost of restoration and repair of such resources exceeds the sum of $500.00, such person will be fined not more than $20,000.00 or imprisoned not more than two years, or both. In the case of a second or subsequent such violation upon conviction such person will be fined not more than $100,000.00, or imprisoned not more than five years, or both.

[49 FR 1027, Jan. 6, 1984, as amended at 60 FR 5260, Jan. 26, 1995]

§229.5 Permit requirements and exceptions.

(a) Any person proposing to excavate and/or remove archaeological resources from public lands or Indian lands, and to carry out activities associated with such excavation and/or removal, shall apply to the Federal land manager for a permit for the proposed work, and shall not begin the proposed work until a permit has been issued. The Federal land manager may issue a permit to any qualified person, subject to appropriate terms and conditions, provided that the person applying for a permit meets conditions in §229.8(a) of this part.

(b) Exceptions:

(1) No permit shall be required under this part for any person conducting activities on the public lands under other permits, leases, licenses, or entitlements for use, when those activities are exclusively for purposes other than the excavation and/or removal of archaeological resources, even though those activities might incidentally result in the disturbance of archaeological resources. General earth-moving excavation conducted under a permit or other authorization shall not be construed to mean excavation and/or removal as used in this part. This exception does not, however, affect the Federal land manager's responsibility to comply with other authorities which protect archaeological resources prior to approving permits, leases, licenses, or entitlements for use; any excavation and/or removal of archaeological resources required for compliance with those authorities shall be conducted in accordance with the permit requirements of this part.

(2) No permit shall be required under this part for any person collecting for private purposes any rock, coin, bullet, or mineral which is not an archaeological resource as defined in this part, provided that such collecting does not result in disturbance of any archaelogical resource.

(3) No permit shall be required under this part or under section 3 of the Act of June 8, 1906 (16 U.S.C. 432), for the excavation or removal by any Indian tribe or member thereof of any archaeological resource located on Indian lands of such Indian tribe, except that in the absence of tribal law regulating the excavation or removal or archaeological resources on Indian lands, an individual tribal member shall be required to obtain a permit under this part;

(4) No permit shall be required under this part for any person to carry out any archaeological activity authorized by a permit issued under section 3 of the Act of June 8, 1906 (16 U.S.C. 432), before the enactment of the Archaeological Resources Protection Act of 1979. Such permit shall remain in effect according to its terms and conditions until expiration.

(5) No permit shall be required under section 3 of the Act of June 8, 1906 (16 U.S.C. 432) for any archaeological work for which a permit is issued under this part.

(c) Persons carrying out official agency duties under the Federal land manager's direction, associated with the management of archaeological resources, need not follow the permit application procedures of § 229.6. However, the Federal land manager shall insure that provisions of § 229.8 and § 229.9 have been met by other documented means, and that any official duties which might result in harm to or destruction of any Indian tribal religious or cultural site, as determined by the Federal land manager, have been the subject of consideration under § 229.7.

(d) Upon the written request of the Governor of any State, on behalf of the State or its educational institutions, the Federal land manager shall issue a permit, subject to the provisions of §§ 229.5(b)(5), 229.7, 229.8(a)(3), (4), (5), (6), and (7), 229.9, 229.10, 229.12, and 229.13(a) to such Governor or to such designee as the Governor deems qualified to carry out the intent of the Act, for purposes of conducting archaeological research, excavating and/or removing archaeological resources, and safeguarding and preserving any materials and data collected in a university, museum, or other scientific or educational institution approved by the Federal land manager.

(e) Under other statutory, regulatory, or administrative authorities governing the use of public lands and Indian lands, authorizations may be required for activities which do not require a permit under this part. Any person wishing to conduct on public lands or Indian lands any activities related to but believed to fall outside the scope of this part should consult with the Federal land manager, for the purpose of determining whether any authorization is required, prior to beginning such activities.

§ 229.6 Application for permits and information collection.

(a) Any person may apply to the appropriate Federal land manager for a permit to excavate and/or remove archaeological resources from public lands or Indian lands and to carry out activities associated with such excavation and/or removal.

(b) Each application for a permit shall include:

(1) The nature and extent of the work proposed, including how and why it is proposed to be conducted, proposed time of performance, locational maps, and proposed outlet for public written dissemination of the results.

(2) The name and address of the individual(s) proposed to be responsible for conducting the work, institutional affiliation, if any, and evidence of education, training, and experience in accord with the minimal qualifications listed in § 229.8(a).

(3) The name and address of the individual(s), if different from the individual(s) named in paragraph (b)(2) of this section, proposed to be responsible for carrying out the terms and conditions of the permit.

(4) Evidence of the applicant's ability to initiate, conduct, and complete the proposed work, including evidence of logistical support and laboratory facilities.

(5) Where the application is for the excavation and/or removal of archaeological resources on public lands, the names of the university, museum, or other scientific or educational institution in which the applicant proposes to store all collections, and copies of records, data, photographs, and other documents derived from the proposed work. Applicants shall submit written certification, signed by an authorized official of the institution, of willingness to assume curatorial responsibility for the collections, records, data, photographs and other documents and to safeguard and preserve these materials as property of the United States.

(6) Where the application is for the excavation and/or removal of archaeological resources on Indian lands, the name of the university, museum, or other scientific or educational institution in which the applicant proposes to store copies of records, data, photographs, and other documents derived from the proposed work, and all collections in the event the Indian owners do not wish to take custody or otherwise dispose of the archaeological resources. Applicants shall submit written certification, signed by an authorized official of the institution, or willingness to assume curatorial responsibility for the collections, if applicable, and/or the records, data, photographs, and other

documents derived from the proposed work.

(c) The Federal land manager may require additional information, pertinent to land management responsibilities, to be included in the application for permit and shall so inform the applicant.

(d) *Paperwork Reduction Act.* The information collection requirement contained in this section of these regulations has been approved by the Office of Management and Budget under 44 U.S.C. 3501 *et seq.* and assigned clearance number 1024–0037. The purpose of the information collection is to meet statutory and administrative requirements in the public interest. The information will be used to assist Federal land managers in determining that applicants for permits are qualified, that the work proposed would further archaeological knowledge, that archaeological resources and associated records and data will be properly preserved, and that the permitted activity would not conflict with the management of the public lands involved. Response to the information requirement is necessary in order for an applicant to obtain a benefit.

§229.7 Notification to Indian tribes of possible harm to, or destruction of, sites on public lands having religious or cultural importance.

(a) If the issuance of a permit under this part may result in harm to, or destruction of, any Indian tribal religious or cultural site on public lands, as determined by the Federal land manager, at least 30 days before issuing such a permit the Federal land manager shall notify any Indian tribe which may consider the site as having religious or cultural importance. Such notice shall not be deemed a disclosure to the public for purposes of section 9 of the Act.

(1) Notice by the Federal land manager to any Indian tribe shall be sent to the chief executive officer or other designated official of the tribe. Indian tribes are encouraged to designate a tribal official to be the focal point for any notification and discussion between the tribe and the Federal land manager.

(2) The Federal land manager may provide notice to any other Native American group that is known by the Federal land manager to consider sites potentially affected as being of religious or cultural importance.

(3) Upon request during the 30-day period, the Federal land manager may meet with official representatives of any Indian tribe or group to discuss their interests, including ways to avoid or mitigate potential harm or destruction such as excluding sites from the permit area. Any mitigation measures which are adopted shall be incorporated into the terms and conditions of the permit under §229.9.

(4) When the Federal land manager detemines that a permit applied for under this part must be issued immediately because of an imminent threat of loss or destruction of an archaeological resource, the Federal land manager shall so notify the appropriate tribe.

(b)(1) In order to identify sites of religious or cultural importance, the Federal land manager shall seek to identify all Indian tribes having aboriginal or historic ties to the lands under the Federal land manager's jurisdiction and seek to determine, from the chief executive officer or other designated official of any such tribe, the location and nature of specific sites of religious or cultural importance so that such information may be on file for land management purposes. Information on sites eligible for or included in the National Register of Historic Places may be withheld from public disclosure pursuant to section 304 of the Act of October 15, 1966, as amended (16 U.S.C. 470w–3).

(2) If the Federal land manager becomes aware of a Native American group that is not an Indian tribe as defined in this part but has aboriginal or historic ties to public lands under the Federal land manager's jurisdiction, the Federal land manager may seek to communicate with official representatives of that group to obtain information on sites they may consider to be of religious or cultural importance.

(3) The Federal land manager may enter into agreement with any Indian tribe or other Native American group for determining locations for which such tribe or group wishes to receive notice under this section.

(4) The Federal land manager should also seek to determine, in consultation with official representatives of Indian tribes or other Native American groups, what circumstances should be the subject of special notification to the tribe or group after a permit has been issued. Circumstances calling for notification might include the discovery of human remains. When circumstances for special notification have been determined by the Federal land manager, the Federal land manager will include a requirement in the terms and conditions of permits, under § 229.9(c), for permittees to notify the Federal land manger immediately upon the occurrence of such circumstances. Following the permittee's notification, the Federal land manager will notify and consult with the tribe or group as appropriate. In cases involving Native American human remains and other ''cultural items'', as defined by NAGPRA, the Federal land manager is referred to NAGPRA and its implementing regulations.

[49 FR 1027, Jan. 6, 1984, as amended at 60 FR 5260, 5261, Jan. 26, 1995]

§ 229.8 Issuance of permits.

(a) The Federal land manager may issue a permit, for a specified period of time appropriate to the work to be conducted, upon determining that:

(1) The applicant is appropriately qualified, as evidenced by training, education, and/or experience, and possesses demonstrable competence in archaeological theory and methods, and in collecting, handling, analyzing, evaluating, and reporting archaeological data, relative to the type and scope of the work proposed, and also meets the following minimum qualifications:

(i) A graduate degree in anthropology or archaeology, or equivalent training and experience;

(ii) The demonstrated ability to plan, equip, staff, organize, and supervise activity of the type and scope proposed;

(iii) The demonstrated ability to carry research to completion, as evidenced by timely completion of theses, research reports, or similar documents;

(iv) Completion of at least 16 months of professional experience and/or specialized training in archaeological field, laboratory, or library research, administration, or management, including at least 4 months experience and/or specialized training in the kind of activity the individual proposes to conduct under authority of a permit; and

(v) Applicants proposing to engage in historical archaeology should have had at least one year of experience in research concerning archaeological resources of the historic period. Applicants proposing to engage in prehistoric archaeology should have had at least one year of experience in research concerning archaeological resources of the prehistoric period.

(2) The proposed work is to be undertaken for the purpose of furthering archaeological knowledge in the public interest, which may include but need not be limited to, scientific or scholarly research, and preservation of archaeological data;

(3) The proposed work, including time, scope, location, and purpose, is not inconsistent with any management plan or established policy, objectives, or requirements applicable to the management of the public lands concerned;

(4) Where the proposed work consists of archaelogical survey and/or data recovery undertaken in accordance with other approved uses of the public lands or Indian lands, and the proposed work has been agreed to in writing by the Federal land manager pursuant to section 106 of the National Historic Preservation Act (16 U.S.C. 470f), paragraphs (a) (2) and (3) shall be deemed satisfied by the prior approval.

(5) Written consent has been obtained, for work proposed on Indian lands, from the Indian landowner and the Indian tribe having jurisdiction over such lands;

(6) Evidence is submitted to the Federal land manager that any university, museum, or other scientific or educational institution proposed in the application as the repository possesses adequate curatorial capability for safeguarding and preserving the archaeological resources and all associated records; and

(7) The applicant has certified that, not later than 90 days after the date the final report is submitted to the Federal land manager, the following

will be delivered to the appropriate official of the approved university, museum, mr other scientific or educational institution, which shall be named in the permit:

(i) All artifacts, samples, collections, and copies of records, data, photographs, and other documents resulting from work conducted under the requested permit where the permit is for the excavation and/or removal of archaeological resources from public lands.

(ii) All artifacts, samples and collections resulting from work under the requested permit for which the custody or disposition is not undertaken by the Indian owners, and copies of records, data, photographs, and other documents resulting from work conducted under the requested permit, where the permit is for the excavation and/or removal of archaeological resources from Indian lands.

(b) When the area of the proposed work would cross jurisdictional boundaries, so that permit applications must be submitted to more than one Federal land managers, the Federal land manager shall coordinate the review and evaluation of applications and the issuance of permits.

[49 FR 1027, Jan. 6, 1984, as amended at 49 FR 5923, Feb. 16, 1984]

§229.9 Terms and conditions of permits.

(a) In all permits issued, the Federal land manager shall specify:

(1) The nature and extent of work allowed and required under the permit, including the time, duration, scope, location, and purpose of the work;

(2) The name of the individual(s) responsible for conducting the work and, if different, the name of the individual(s) responsible for carrying out the terms and conditions of the permit;

(3) The name of any university, museum, or other scientific or educational insitutions in which any collected materials and data shall be deposited; and

(4) Reporting requirements.

(b) The Federal land manager may specify such terms and conditions as deemed necessary, consistent with this part, to protect public safety and other values and/or resources, to secure work areas, to safeguard other legitimate land uses, and to limit activities incidental to work authorized under a permit.

(c) The Federal land manager shall include in permits issued for archaeological work on Indian lands such terms and conditions as may be requested by the Indian landowner and the Indian tribe having jurisdiction over the lands, and for archaeological work on public lands shall include such terms and conditions as may have been developed pursuant to §229.7.

(d) Initiation of work or other activities under the authority of a permit signifies the permittee's acceptance of the terms and conditions of the permit.

(e) The permittee shall not be released from requirements of a permit until all outstanding obligations have been satisfied, whether or not the term of the permit has expired.

(f) The permittee may request that the Federal land manager extend or modify a permit.

(g) The permittee's performance under any permit issued for a period greater than 1 year shall be subject to review by the Federal land manager, at least annually.

§229.10 Suspension and revocation of permits.

(a) *Suspension or revocation for cause.* (1) The Federal land manager may suspend a permit issued pursuant to this part upon determining that the permittee has failed to meet any of the terms and conditions of the permit or has violated any prohibition of the Act or §229.4. The Federal land manager shall provide written notice to the permittee of the suspension, the cause thereof, and the requirements which must be met before the suspension will be removed.

(2) The Federal land manager may revoke a permit upon assessment of a civil penalty under §229.15 upon the permittee's conviction under section 6 of the Act, or upon determining that the permittee has failed after notice under this section to correct the situation which led to suspension of the permit.

(b) *Suspension or revocation for management purposes.* The Federal land manager may suspend or revoke a permit, without liability to the United

States, its agents, or employees, when continuation of work under the permit would be in conflict with management requirements not in effect when the permit was issued. The Federal land manager shall provide written notice to the permittee stating the nature of and basis for the suspension or revocation.

[49 FR 1027, Jan. 6, 1984, as amended at 49 FR 5923, Feb. 16, 1984]

§ 229.11 Appeals relating to permits.

Any affected person may appeal permit issuance, denial of permit issuance, suspension, revocation, and terms and conditions of a permit through existing administrative appeal procedures, or through procedures which may be established by the Federal land manager pursuant to section 10(b) of the Act and this part.

§ 229.12 Relationship to section 106 of the National Historic Preservation Act.

Issuance of a permit in accordance with the Act and this part does not constitute an undertaking requiring compliance with section 106 of the Act of October 15, 1966 (16 U.S.C. 470f). However, the mere issuance of such a permit does not excuse the Federal land manager from compliance with section 106 where otherwise required.

§ 229.13 Custody of archaeological resources.

(a) Archaeological resources excavated or removed from the public lands remain the property of the United States.

(b) Archaeological resources excavated or removed from Indian lands remain the property of the Indian or Indian tribe having rights of ownership over such resources.

(c) The Secretary of the Interior may promulgate regulations providing for the exchange of archaeological resources among suitable universities, museums, or other scientific or educational institutions, for the ultimate disposition of archaeological resources, and for standards by which archaeological resources shall be preserved and maintained, when such resources have been excavated or removed from public lands and Indian lands.

(d) In the absence of regulations referenced in paragraph (c) of this section, the Federal land manager may provide for the exchange of archaeological resources among suitable universities, museums, or other scientific or educational institutions, when such resources have been excavated or removed from public lands under the authority of a permit issued by the Federal land manager.

(e) Notwithstanding the provisions of paragraphs (a) through (d) of this section, the Federal land manager will follow the procedures required by NAGPRA and its implementing regulations for determining the disposition of Native American human remains and other ''cultural items'', as defined by NAGPRA, that have been excavated, removed, or discovered on public lands.

[49 FR 1027, Jan. 6, 1984, as amended at 60 FR 5260, 5261, Jan. 26, 1995]

§ 229.14 Determination of archaeological or commercial value and cost of restoration and repair.

(a) *Archaeological value.* For purposes of this part, the archaeological value of any archaeological resource involved in a violation of the prohibitions in § 229.4 of this part or conditions of a permit issued pursuant to this part shall be the value of the information associated with the archaeological resource. This value shall be appraised in terms of the costs of the retrieval of the scientific information which would have been obtainable prior to the violation. These costs may include, but need not be limited to, the cost of preparing a research design, conducting field work, carrying out laboratory analysis, and preparing reports as would be necessary to realize the information potential.

(b) *Commercial value.* For purposes of this part, the commercial value of any archaeological resource involved in a violation of the prohibitions in § 229.4 of this part or conditions of a permit issued pursuant to this part shall be its fair market value. Where the violation has resulted in damage to the archaeological resource, the fair market value should be determined using the

condition of the archaeological resource prior to the violation, to the extent that its prior condition can be ascertained.

(c) *Cost of restoration and repair.* For purposes of this part, the cost of restoration and repair of archaeological resources damaged as a result of a violation of prohibitions or conditions pursuant to this part, shall be the sum of the costs already incurred for emergency restoration or repair work, plus those costs projected to be necessary to complete restoration and repair, which may include, but need not be limited to, the costs of the following:

(1) Reconstruction of the archaeological resource;

(2) Stabilization of the archaeological resource;

(3) Ground contour reconstruction and surface stabilization;

(4) Research necessary to carry out reconstruction or stabilization;

(5) Physical barriers or other protective devices, necessitated by the disturbance of the archaeological resource, to protect it from further disturbance;

(6) Examination and analysis of the archaeological resource including recording remaining archaeological information, where necessitated by disturbance, in order to salvage remaining values which cannot be otherwise conserved;

(7) Reinterment of human remains in accordance with religious custom and State, local, or tribal law, where appropriate, as determined by the Federal land manager.

(8) Preparation of reports relating to any of the above activities.

§229.15 Assessment of civil penalties.

(a) The Federal land manager may assess a civil penalty against any person who has violated any prohibition contained in §229.4 or who has violated any term or condition included in a permit issued in accordance with the Act and this part.

(b) *Notice of violation.* The Federal land manager shall serve a notice of violation upon any person believed to be subject to a civil penalty, either in person or by registered or certified mail (return receipt requested). The Federal land manager shall include in the notice:

(1) A concise statement of the facts believed to show a violation;

(2) A specific reference to the provision(s) of this part or to a permit issued pursuant to this part allegedly violated;

(3) The amount of penalty proposed to be assessed, including any initial proposal to mitigate or remit where appropriate, or a statement that notice of a proposed penalty amount will be served after the damages associated with the alleged violation have been ascertained;

(4) Notification of the right to file a petition for relief pursuant to paragraph (d) of this section, or to await the Federal land manager's notice of assessment, and to request a hearing in accordance with paragraph (g) of this section. The notice shall also inform the person of the right to seek judicial review of any final administrative decision assessing a civil penalty.

(c) The person served with a notice of violation shall have 45 calendar days from the date of its service (or the date of service of a proposed penalty amount, if later) in which to respond. During this time the person may:

(1) Seek informal discussions with the Federal land manager;

(2) File a petition for relief in accordance with paragraph (d) of this section;

(3) Take no action and await the Federal land manager's notice of assessment;

(4) Accept in writing or by payment the proposed penalty, or any mitigation or remission offered in the notice. Acceptance of the proposed penalty or mitigation or remission shall be deemed a waiver of the notice of assessment and of the right to request a hearing under paragraph (g) of this section.

(d) *Petition for relief.* The person served with a notice of violation may request that no penalty be assessed or that the amount be reduced, by filing a petition for relief with the Federal land manager within 45 calendar days of the date of service of the notice of violation (or of a proposed penalty amount, if later). The petition shall be in writing and signed by the person served with the notice of violation. If

the person is a corporation, the petition must be signed by an officer authorized to sign such documents. The petition shall set forth in full the legal or factual basis for the requested relief.

(e) *Assessment of penalty.* (1) The Federal land manager shall assess a civil penalty upon expiration of the period for filing a petition for relief, upon completion of review of any petition filed, or upon completion of informal discussions, whichever is later.

(2) The Federal land manager shall take into consideration all available information, including information provided pursuant to paragraphs (c) and (d) of this section or furnished upon further request by the Federal land manager.

(3) If the facts warrant a conclusion that no violation has occurred, the Federal land manager shall so notify the person served with a notice of violation, and no penalty shall be assessed.

(4) Where the facts warrant a conclusion that a violation has occurred, the Federal land manager shall determine a penalty amount in accordance with § 229.16.

(f) *Notice of assessment.* The Federal land manager shall notify the person served with a notice of violation of the penalty amount assessed by serving a written notice of assessment, either in person or by registered or certified mail (return receipt requested). The Federal land manager shall include in the notice of assessment:

(1) The facts and conclusions from which it was determined that a violation did occur;

(2) The basis in § 229.16 for determining the penalty amount assessed and/or any offer to mitigate or remit the penalty; and

(3) Notification of the right to request a hearing, including the procedures to be followed, and to seek judicial review of any final administrative decision assessing a civil penalty.

(g) *Hearings.* (1) Except where the right to request a hearing is deemed to have been waived as provided in paragraph (c)(4) of this section, the person served with a notice of assessment may file a written request for a hearing with the adjudicatory body specified in the notice. The person shall enclose with the request for hearing a copy of the notice of assessment, and shall deliver the request as specified in the notice of assessment, personally or by registered or certified mail (return receipt requested).

(2) Failure to deliver a written request for a hearing within 45 days of the date of service of the notice of assessment shall be deemed a waiver of the right to a hearing.

(3) Any hearing conducted pursuant to this section shall be held in accordance with 5 U.S.C. 554. In any such hearing, the amount of civil penalty assessed shall be determined in accordance with this part, and shall not be limited by the amount assessed by the Federal land manager under paragraph (f) of this section or any offer of mitigation or remission made by the Federal land manager.

(h) *Final administrative decision.* (1) Where the person served with a notice of violation has accepted the penalty pursuant to paragraph (c)(4) of this section, the notice of violation shall constitute the final administrative decision;

(2) Where the person served with a notice of assessment has not filed a timely request for a hearing pursuant to paragraph (g)(1) of this section, the notice of assessment shall constitute the final administrative decision;

(3) Where the person served with a notice of assessment has filed a timely request for a hearing pursuant to paragraph (g)(1) of this section, the decision resulting from the hearing or any applicable administrative appeal therefrom shall constitute the final administrative decision.

(i) *Payment of penalty.* (1) The person assessed a civil penalty shall have 45 calendar days from the date of issuance of the final administrative decision in which to make full payment of the penalty assessed, unless a timely request for appeal has been filed with a U.S. District Court as provided in section 7(b)(1) of the Act.

(2) Upon failure to pay the penalty, the Federal land manager may request the Attorney General to institute a civil action to collect the penalty in a U.S. District Court for any district in

which the person assessed a civil penalty is found, resides, or transacts business. Where the Federal land manager is not represented by the Attorney General, a civil action may be initiated directly by the Federal land manager.

(j) *Other remedies not waived.* Assessment of a penalty under this section shall not be deemed a waiver of the right to pursue other available legal or administrative remedies.

§229.16 Civil penalty amounts.

(a) *Maximum amount of penalty.* (1) Where the person being assessed a civil penalty has not committed any previous violation of any prohibition in §229.4 or of any term or condition included in a permit issued pursuant to this part, the maximum amount of the penalty shall be the full cost of restoration and repair of archaeological resources damaged plus the archaeological or commercial value of archaeological resources destroyed or not recovered.

(2) Where the person being assessed a civil penalty has committed any previous violation of any prohibition in §229.4 or of any term or condition included in a permit issued pursuant to this part, the maximum amount of the penalty shall be double the cost of restoration and repair plus double the archaeological or commercial value of archaeological resources destroyed or not recovered.

(3) Violations limited to the removal of arrowheads located on the surface of the ground shall not be subject to the penalties prescribed in this section.

(b) *Determination of penalty amount, mitigation, and remission.* The Federal land manager may assess a penalty amount less than the maximum amount of penalty and may offer to mitigate or remit the penalty.

(1) Determination of the penalty amount and/or a proposal to mitigate or remit the penalty may be based upon any of the following factors:

(i) Agreement by the person being assessed a civil penalty to return to the Federal land manager archaeological resources removed from public lands or Indian lands;

(ii) Agreement by the person being assessed a civil penalty to assist the Federal land manager in activity to preserve, restore, or otherwise contribute to the protection and study of archaeological resources on public lands or Indian lands;

(iii) Agreement by the person being assessed a civil penalty to provide information which will assist in the detection, prevention, or prosecution of violations of the Act or this part;

(iv) Demonstration of hardship or inability to pay, provided that this factor shall only be considered when the person being assessed a civil penalty has not been found to have previously violated the regulations in this part;

(v) Determination that the person being assessed a civil penalty did not willfully commit the violation;

(vi) Determination that the proposed penalty would constitute excessive punishment under the circumstances;

(vii) Determination of other mitigating circumstances appropriate to consideration in reaching a fair and expeditious assessment.

(2) When the penalty is for a violation on Indian lands, the Federal land manager shall consult with and consider the interests of the Indian landowner and the Indian tribe having jurisdiction over the Indian lands prior to proposing to mitigate or remit the penalty.

(3) When the penalty is for a violation which may have had an effect on a known Indian tribal religious or cultural site on public lands, the Federal land manager should consult with and consider the interests of the affected tribe(s) prior to proposing to mitigate or remit the penalty.

[49 FR 1027, Jan. 6, 1984, as amended at 52 FR 47721, Dec. 16, 1987]

§229.17 Other penalties and rewards.

(a) Section 6 of the Act contains criminal prohibitions and provisions for criminal penalties. Section 8(b) of the Act provides that archaeological resources, vehicles, or equipment involved in a violation may be subject to forfeiture.

(b) Section 8(a) of the Act provides for rewards to be made to persons who furnish information which leads to conviction for a criminal violation or to assessment of a civil penalty. The Federal lald manager may certify to the

Secretary of the Treasury that a person is eligible to receive payment. Officers and employees of Federal, State, or local government who furnish information or render service in the performance of their official duties, and persons who have provided information under § 229.16(b)(1)(iii) shall not be certified eligible to receive payment of rewards.

(c) In cases involving Indian lands, all civil penalty monies and any item forfeited under the provisions of this section shall be transferred to the appropriate Indian or Indian tribe.

§ 229.18 Confidentiality of archaeological resource information.

(a) The Federal land manager shall not make available to the public, under subchapter II of chapter 5 of title 5 of the U.S. Code or any other provision of law, information concerning the nature and location of any archaeological resource, with the following exceptions:

(1) The Federal land manager may make information available, provided that the disclosure will further the purposes of the Act and this part, or the Act of June 27, 1960, as amended (16 U.S.C. 469–469c), without risking harm to the archaeological resource or to the site in which it is located.

(2) The Federal land manager shall make information available, when the Governor of any State has submitted to the Federal land manager a written request for information, concerning the archaeological resources within the requesting Governor's State, provided that the request includes:

(i) The specific archaeological resource or area about which information is sought;

(ii) The purpose for which the information is sought; and

(iii) The Governor's written commitment to adequately protect the confidentiality of the information.

[49 FR 1027, Jan. 6, 1984, as amended at 49 FR 5923, Feb. 16, 1984]

§ 229.19 Report.

(a) Each Federal land manager, when requested by the Secretary of the Interior, will submit such information as is necessary to enable the Secretary to comply with section 13 of the Act and comprehensively report on activities carried out under provisions of the Act.

(b) The Secretary of the Interior will include in the annual comprehensive report, submitted to the Committee on Interior and Insular Affairs of the United States House of Representatives and to the Committee on Energy and Natural Resources of the United States Senate under section 13 of the Act, information on public awareness programs submitted by each Federal land manager under § 229.20(b). Such submittal will fulfill the Federal land manager's responsibility under section 10(c) of the Act to report on public awareness programs.

(c) The comprehensive report by the Secretary of the Interior also will include information on the activities carried out under section 14 of the Act. Each Federal land manager, when requested by the Secretary, will submit any available information on surveys and schedules and suspected violations in order to enable the Secretary to summarize in the comprehensive report actions taken pursuant to section 14 of the Act.

[60 FR 5260, 5261, Jan. 26, 1995]

§ 229.20 Public awareness programs.

(a) Each Federal land manager will establish a program to increase public awareness of the need to protect important archaeological resources located on public and Indian lands. Educational activities required by section 10(c) of the Act should be incorporated into other current agency public education and interpretation programs where appropriate.

(b) Each Federal land manager annually will submit to the Secretary of the Interior the relevant information on public awareness activities required by section 10(c) of the Act for inclusion in the comprehensive report on activities required by section 13 of the Act.

[60 FR 5260, 5261, Jan. 26, 1995]

§ 229.21 Surveys and schedules.

(a) The Secretaries of the Interior, Agriculture, and Defense and the Chairman of the Board of the Tennessee Valley Authority will develop plans for surveying lands under each

agency's control to determine the nature and extent of archaeological resources pursuant to section 14(a) of the Act. Such activities should be consistent with Federal agency planning policies and other historic preservation program responsibilities required by 16 U.S.C. 470 *et seq.* Survey plans prepared under this section will be designed to comply with the purpose of the Act regarding the protection of archaeological resources.

(b) The Secretaries of the Interior, Agriculture, and Defense and the Chairman of the Tennessee Valley Authority will prepare schedules for surveying lands under each agency's control that are likely to contain the most scientifically valuable archaeological resources pursuant to section 14(b) of the Act. Such schedules will be developed based on objectives and information identified in survey plans described in paragraph (a) of this section and implemented systematically to cover areas where the most scientifically valuable archaeological resources are likely to exist.

(c) Guidance for the activities undertaken as part of paragraphs (a) through (b) of this section is provided by the Secretary of the Interior's Standards and Guidelines for Archeology and Historic Preservation.

(d) Other Federal land managing agencies are encouraged to develop plans for surveying lands under their jurisdictions and prepare schedules for surveying to improve protection and management of archaeological resources.

(e) The Secretaries of the Interior, Agriculture, and Defense and the Chairman of the Tennessee Valley Authority will develop a system for documenting and reporting suspected violations of the various provisions of the Act. This system will reference a set of procedures for use by officers, employees, or agents of Federal agencies to assist them in recognizing violations, documenting relevant evidence, and reporting assembled information to the appropriate authorities. Methods employed to document and report such violations should be compatible with existing agency reporting systems for documenting violations of other appropriate Federal statutes and regulations. Summary information to be included in the Secretary's comprehensive report will be based upon the system developed by each Federal land manager for documenting suspected violations.

[60 FR 5260, 5261, Jan. 26, 1995]

PART 230—PROCEDURES GOVERNING BANKING OFFICES ON DOD INSTALLATIONS

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230.5 General operating policies and procedures.

APPENDIX A TO PART 230—PROCEDURES FOR ESTABLISHING, SUPPORTING, AND TERMINATING ON-BASE BANKING OFFICES
APPENDIX B TO PART 230—OPERATIONS OF ON-BASE BANKING OFFICES

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§230.1 Purpose.

This part reissues DoD Instruction 1000.12[1] (32 CFR part 230) and provides procedural guidance to supplement DoD Directive 1000.11[2] (32 CFR part 231) concerning relations with banking offices serving on DoD installations.

§230.2 Applicability and scope.

This part applies to:

(a) The Office of the Secretary of Defense (OSD), the Military Departments, the Joint Chiefs of Staff (JCS), the Joint Staff and supporting Joint Agencies, the Unified and Specified Commands, the Inspector General of the Department of Defense (IG, DoD), the Uniformed Services University of the Health Sciences (USUHS), the Defense Agencies, and the DoD Field Activities (hereafter referred to collectively as ''DoD Components'').

(b) All banking institutions and military exchange outlets that operate on DoD installations.

[1] Copies may be obtained, if needed, from the U.S. Naval Publications and Forms Center, Attn: Code 1053, 5801 Tabor Avenue, Philadelphia, PA 19120

[2] See footnote 1 to §286.1.

§ 230.3 Definitions.

Terms used in this Instruction are defined in 32 CFR part 231.

§ 230.4 Responsibilities.

(a) The Comptroller of the Department of Defense (C, DoD), or designee, the Deputy Comptroller (Management Systems) (DC(MS)), shall:

(1) Coordinate the DoD domestic and overseas banking programs, consulting on aspects that pertain to the morale and welfare of DoD personnel with the Assistant Secretary of Defense (Force Management and Personnel) (ASD(FM&P)).

(2) In coordination with affected DoD Components, authorize the specific types of banking services that will be provided by overseas banking facilities and specify the charges or fees, or the basis for these, to be levied on users of these services.

(3) Coordinate with the Fiscal Assistant Secretary of the Treasury on the designation of domestic and overseas banking facilities as depositaries and financial agents of the U.S. Government.

(4) Maintain liaison, as necessary, with Federal and equivalent State bank regulatory agencies as defined in 32 CFR part 231.

(5) Designate a technical representative to provide policy direction for the procuring and administrative contracting officer(s) responsible under the Federal Acquisition Regulation (FAR) for acquiring banking services required at overseas DoD installations.

(6) Serve as principal liaison with banking institutions having offices on overseas DoD installations. In this capacity, monitor banking facility managerial and operational policies, procedures, and operating results and take action as appropriate.

(7) Coordinate on DoD Component actions that contemplate a banking institution's removal for cause from an installation before final decision and referral to the appropriate regulatory agency.

(8) As necessary, negotiate government-to-government agreements for the provision of banking services on overseas DoD installations, in accordance with DoD Directive 5530.3.[3]

(9) Take final action on requests for exception to this part.

(b) The *Assistant Secretary of Defense (Production and Logistics)* (ASD(P&L)) shall carry out responsibilities outlined in subsection F.2. of DoD Directive 1000.11.

(c) The *Assistant Secretary of Defense (Force Management and Personnel)* (ASD(FM&P)) shall carry out responsibilities outlined in subsection F.3. of DoD Directive 1000.11.

(d) The *Secretaries of the Military Departments and Directors of Defense Agencies* shall:

(1) Prescribe procedures for soliciting banking institutions to establish banking offices on respective domestic DoD installations. Such procedures shall prohibit DoD personnel from subjecting banking institutions to any form of coercion either while banking arrangements are under consideration or after banking offices are established.

(2) Review proposals to establish banking offices on respective domestic DoD installations, select the banking institution making the best offer, and recommend designation of that institution to the appropriate regulatory agency.

(3) Forward proposals to establish banking facilities to the DC(MS) for determination in conjunction with the Fiscal Assistant Secretary of the Treasury.

(4) Provide for liaison to banking institutions operating banking offices on respective domestic DoD installations.

(5) Supervise the use of banking offices on respective DoD installations within the guidance contained herein and in DoD Directive 1000.11.

(6) Evaluate the services provided by banking offices to ensure that they fulfill the requirements upon which establishment and retention of those services were justified.

(7) Monitor practices and procedures of respective on-base banking offices to ensure that the welfare and interests of DoD personnel as consumers are protected.

(8) Assist respective on-base banking offices in developing and expanding

[3] See footnote 1 to § 230.1

necessary services for DoD personnel consistent with this part.

(9) Determine the level of logistic support to be provided to respective domestic banking institutions that submit reports reflecting nonself-sustaining status.

(10) Encourage the conversion of existing domestic banking facilities on respective installations to independent or branch bank status where feasible.

(11) Provide logistic support to overseas banking facilities under terms and conditions identified in respective contracts.

(12) Ensure that the recommendations of the Unified or Specified Command concerned are considered before processing requests for overseas banking service or related actions emanating from Component commands overseas.

(13) Refer matters requiring policy decisions or proposed changes to this part or DoD Directive 1000.11 to the DC(MS).

(e) The Commanders of Unified and Specified Commands, or designees, shall ensure the appropriate coordination of requests to:

(1) Establish banking offices in countries not presently served. Such requests shall include a statement that the requirement has been coordinated with the U.S. Chief of Diplomatic Mission or U.S. Embassy and that the host country will permit the operation.

(2) Totally eliminate banking offices in a country. Such requests shall include a statement that the U.S. Chief of Diplomatic Mission has been informed and that appropriate arrangements to coordinate local termination announcements and procedures have been made with the U.S. Embassy.

(3) Monitor and coordinate military banking operations within the command area. Personnel assigned to security assistance positions shall not perform this function without the prior approval of the Director, Defense Security Assistance Agency (DSAA).

§230.5 General operating policies and procedures.

(a) *Limitation on service.* Under singular circumstances, more than one banking institution may be permitted to operate on a DoD installation to ensure that personnel on the installation receive adequate financial services.

(1) If a particular installation demonstrably needs more services, the existing banking office shall first be given the opportunity to meet those needs.

(2) When conditions warrant consideration of a second banking institution on the installation, a request providing full details shall be forwarded through channels to the DoD Component headquarters concerned for evaluation and appropriate action. All interested institutions near the installation that are insured by the Federal Deposit Insurance Corporation (FDIC) or Federal Savings and Loan Insurance Corporation (FSLIC) should be given the opportunity to offer a proposal. After coordination with the DC(MS), the Head of the DoD Component or designee may select an institution and notify the appropriate regulatory agency.

(b) *Uniformity of service.* Financial services provided on DoD installations shall be as uniform as possible for all DoD personnel. Similarly, service charges and fee schedules shall, wherever possible, be uniform at overseas DoD installations.

(c) *Establishing banking offices.* (1) Banking offices on domestic DoD installations shall be established only with prior approval of the DoD Component concerned and the appropriate regulatory agency. Specific procedures are identified in appendix A of this part. No commitment may be made to any banking institution regarding its proposal until a designation is made by the appropriate regulatory agency.

(2) Only banking institutions insured by the FDIC or the FSLIC shall operate on domestic DoD installations.

(3) Except under singular circumstances, DoD Components may establish banking facilities only overseas and in those States that prohibit branch banking.

(4) Where domestic DoD installations are unable to obtain on-base banking services, the DoD Component concerned may contact the financial community about installing automated teller machines (ATMs).

(i) Proposals that offer shared-access ATMs shall receive preference.

(ii) The financial institution selected must secure regulatory agency approval, where necessary, before commencing ATM service.

(iii) Action taken in response to such proposals shall be exempt from the limitation in paragraph (a) of this section. The availability of ATM service shall not prevent the later establishment of a banking office if conditions on an installation should change.

(5) The provision of banking services by means other than duly chartered public sector banking offices or ATM service is subject to prior review and approval by the DC(MS).

(d) *Operating agreements.* An operating agreement, conforming to the guidelines set forth herein, shall be executed and maintained between each installation (community) commander and on-base banking institution. A sample format is contained in DoD 4000.19–R.[4] At a minimum, each agreement shall include the following provisions:

(1) Services to be rendered and the conditions therefor. To the extent feasible, full financial services shall be provided; however, agreements entered into under this provision may not restrict the banking institution's right to adjust services and fees to maintain consistency with competing institutions or the banking institution's branch-wide service offerings and fee schedules.

(2) Banking institution agreement to:

(i) Comply with this part, DoD Directive 1000.11 and DoD Component regulations that implement these issuances.

(ii) Indemnify and hold harmless the U.S. Government from (and against) any loss, expense, claim, or demand to which the Government may be subjected as a result of death, loss, destruction, or damage in conjunction with the use and occupancy of premises of the DoD Component caused in whole or in part by agents or employees of the banking institution.

(iii) Accommodate, whenever possible, local command requests for lecturers and printed materials for consumer credit education programs. Banking office personnel invited to participate in such programs shall not use the occasion to promote the exclusive services of a particular financial institution.

(3) Agreement that neither the DoD Component concerned nor its representatives shall be responsible or liable for the financial operation of the banking office or for any loss (including criminal losses), expense, or claim for damages arising from banking office operation.

(4) Installation (community) commander's agreement to provide support as specified in appendix A of this part.

(e) *Liaison officers.* In the interest of maintaining effective lines of communication, each commander of an installation with an on-base banking office shall appoint a bank liaison officer as defined in enclosure 2 of DoD Directive 1000.11.

(1) The bank liaison officer's name and duty telephone number shall be displayed in the lobby of each on-base banking office.

(2) The liaison officer shall maintain regular contact with the banking office manager to confer, help resolve customer complaints, and discuss quantitative and qualitative improvements in the services provided. However, neither liaison officers nor their superiors shall become involved in the internal operations of the banking office.

(3) No one on the board of directors or serving the banking institution in another official capacity may serve as bank or credit union liaison officer.

(f) *DoD personnel as directors of banking institutions.* (1) DoD personnel may not serve as directors of banking institutions that operate on installations where they are currently assigned.

(2) Members of DoD Reserve components called to active duty while serving as directors of banking institutions with on-base banking offices need not resign those directorships because of their changed status.

(g) *Complaints processing*—(1) *Discrimination.* Any installation commander who suspects discrimination or receives complaints of discrimination by the on-base banking institution shall try to resolve any such problem by negotiation. Failing this, in accordance with implementing DoD Component

[4] Copies may be obtained, at cost, from National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

regulations, a written request for investigation shall be forwarded to the appropriate regulatory agency. The request must document the problem and command efforts toward resolution. Information copies of all related correspondence shall be sent through channels to the DoD Component concerned for transmittal to the DC(MS).

(2) *Malpractice.* The installation commander shall report to the appropriate regulatory agency evidence suggesting malpractice by banking office personnel, in accordance with implementing DoD Component regulations.

(3) *Followup.* A DoD Component unsatisfied with action taken by the appropriate regulatory agency shall submit a full report with recommendations to the DC(MS). The DC(MS) shall pursue the matter with the appropriate regulatory agency and apprise the respective DoD Component of progress or resolution.

(h) *Logistic support*—(1) *Categories of domestic banking offices.* For the purpose of authorizing logistic support, banking offices are categorized either as self-sustaining or nonself-sustaining.

(i) A domestic banking office is considered to be self-sustaining until, based upon financial data provided by the banking institution, the DoD Component concerned determines it to be nonself-sustaining. Payment of rent for space and reimbursement for utilities furnished shall be required from self-sustaining banking offices. Nonself-sustaining banking offices may receive building space and utilities free of charge under procedures prescribed by the DoD Component concerned.

(ii) Normally, a domestic banking office shall have nonself-sustaining status for at least 4 consecutive calendar quarters before qualifying for logistic support. Conversely, a nonself-sustaining banking office would not be designated as self-sustaining until it had experienced 4 consecutive quarters of profitable operation.

(2) *Detailed procedures.* Details of required and authorized support for on-base banking offices are provided in appendix A to this part.

(i) *Termination of banking service*—(1) *Termination of operations by the banking institution.* An on-base banking office planning to terminate its operations should notify the installation commander at least 90 days before the closing date. This notification should precede any public announcement of the planned closure. When appropriate, the commander shall attempt to negotiate an agreement permitting the banking office to continue operations until the installation has made other arrangements. Immediately upon notification of a closing, the commander shall advise the DoD Component headquarters concerned. If it is determined that continuation of banking services is justified, action to establish another banking office shall be taken in accordance with paragraph (c) of this section.

(2) *Termination for cause.* Installation commanders should ensure that on-base banks are providing services in the best interest of DoD personnel. If, after discussion with banking institution officials, the installation commander determines that the operating policies of the banking office are inconsistent with this Instruction, a recommendation for termination of logistic support and space arrangements may be made through DoD Component channels. Removal of a banking office from the installation shall be made only with approval by the DoD Component headquarters, after coordination with the DC(MS) and the appropriate regulatory agency.

APPENDIX A TO PART 230—PROCEDURES FOR ESTABLISHING, SUPPORTING, AND TERMINATING ON-BASE BANKING OFFICES

A. Establishing Banking Offices

1. General

DoD Components shall review banking institution proposals and recommend selections in accordance with §230.5(c). Banking institutions selected for domestic on-base operations must obtain authority from the appropriate regulatory agency before commencing such operation.

a. In the case of State-chartered institutions that are members of the Federal Reserve System, approval shall also be obtained from the Federal Reserve Bank for the district in which the proposed banking office is located.

b. In the case of State-chartered savings associations, approval shall be obtained from appropriate State regulatory agencies.

c. In the case of federally chartered savings associations, the determination shall be made by the Federal Home Loan Bank Board or its principal supervisory agent for the district in which the association does business.

2. Domestic Banking Offices

a. Each DoD Component shall develop internal instructions that govern the submission and justification of requests to establish banking facilities on respective installations. The following information shall be included in requests to the DoD Component headquarters for banking facility establishment:

(1) Justification for establishment of a banking facility as opposed to another type of banking office.

(2) Such other supporting data as deemed necessary by the DoD Component concerned.

b. Proposals received by installation commanders to establish an independent or branch bank or a savings association office shall be forwarded through channels to the DoD Component headquarters concerned, together with recommendations for acceptance or rejection.

c. The DoD Component headquarters concerned shall evaluate each proposal to establish such offices and, if acceptable, recommend designation by the appropriate regulatory agency.

(1) If there is no existing banking office on the installation and it is determined that one is needed, the DoD Component concerned shall solicit proposals from other nearby banking institutions before making a determination.

(2) If a banking office other than a banking facility already is operating on the DoD installation, the provisions of §230.5(a)(1) apply.

(3) If the proposal offers to replace an existing banking facility with an independent or branch bank, the DoD Component concerned shall offer the banking institution currently operating the facility an opportunity to submit a proposal to convert the facility.

(4) With respect to a proposed independent or branch bank, preference shall be given to the banking institution that has operated the banking facility, provided that prior banking service has been satisfactory and that the institution's proposal is deemed adequate.

(5) DoD Component selections of banking facility operators shall be forwarded to the DC(MS) for coordination with the Fiscal Assistant Secretary of the Treasury.

3. Conversions of Domestic Banking Facilities to Independent or Branch Banks

DoD Components shall encourage banking institutions that operate banking facilities to convert them to independent or branch banks, if consistent with State law. Proposals from a banking institution to convert an existing banking facility to an independent or branch bank shall be forwarded to the DoD Component headquarters concerned for its approval after coordination with the DC(MS) and Treasury Department.

4. Domestic Automated Teller Machine (ATM) Service

a. ATMs may be used to augment service provided by an on-base banking office.

(1) An on-base banking facility may be authorized to site ATMs on the installation if it conforms to the requirements of paragraphs A.4.b. and A.4.c. Further approval by the Treasury Department is not required.

(2) An on-base branch or independent bank may site ATMs on the installation after obtaining the approval of the appropriate regulatory agency, if required to do so by the regulations of that agency, and by conforming to the requirements of paragraphs A.4.b. and A.4.c.

b. A banking institution proposing to augment on-base banking office service by installing one or more ATMs shall:

(1) Coordinate the ATM proposal through the installation commander according to DoD Component regulations.

(2) Provide a statement that the cost of ATM installation and maintenance shall be borne by the banking institution alone or in conjunction with other financial institutions.

(3) Provide for access through debit and credit cards.

c. Upon approval, appropriate leases shall be negotiated in accordance with this part.

(1) No lease is needed to site an ATM within the existing banking office.

(2) When a banking office requests up to 100 square feet of additional floor space in an existing structure, and the banking office agrees to bear all expenses for modifying the structure, a lease providing for nominal rental, i.e., $1.00 for the term of the lease shall be locally negotiated and approved. This lease provision also shall be offered if the banking office requests up to 250 square feet of land to construct, at its expense, a kiosk or other structure to house an ATM. In either case, the cost of any maintenance, utilities, and services provided by the installation shall be borne by the banking office.

(3) Leases pertaining to other situations shall be negotiated in accordance with section C., of this appendix.

5. Overseas Banking Facilities Operated under Contract

a. In implementing this Instruction, each DoD Component shall develop internal instructions governing the submission of requests justifying the need for banking facilities proposed for particular overseas installations. Upon favorable review by the DoD Component headquarters concerned, such requests shall be submitted to the DC(MS) with a recommendation for inclusion in the appropriate contract, subject to the following conditions.

b. As a general rule, banking facilities may be established when the installation (community) population meets the following criteria:

(1) *Full-time banking facility*. Except in unusual circumstances, a total of at least 1,000 permanent party military personnel and DoD civilian employees is necessary to qualify for a full-time banking facility.

(2) *Part-time banking facility*. Except in unusual circumstances, a total of at least 250 permanent party military personnel and DoD civilian employees is necessary to qualify for a part-time banking facility.

c. If the population at certain remote areas is not sufficient to qualify under the criteria for full- or part-time banking facilities, the installation (community) commander shall explore all other alternatives for acquiring limited banking services (such as check-cashing and accommodation exchange service by disbursing officers and their agents) before requesting establishment of a banking facility as an exception to these provisions.

d. The data used to justify establishment of overseas banking facilities shall include but not be limited to:

(1) The approximate number of DoD personnel at the installation and any other persons who may be authorized to use the banking facility.

(2) The distances between the installation and the nearest banking facility and credit union offices, the operators of those institutions, and the installations (military communities) at which they are located.

(3) The availability of official and public transportation between the installation and the nearest banking facility and credit union office.

(4) The approximate loss of duty time as a result of DoD personnel leaving the installation to obtain banking services.

(5) The number of DoD personnel in duty assignments that confine them to the installation or who cannot obtain transportation (such as hospital patients).

(6) Source(s) from which the military disbursing officer presently obtains operating and payroll cash, the frequency of these cash acquisitions, and the approximate dollar value obtained monthly.

(7) The name and location of the depositary now being used by the military disbursing officer to make official deposits for credit to the U.S. Treasury's General Account.

(8) The estimated savings to the military disbursing officer if a banking facility is established on the installation.

(9) A list of organizational and non-appropriated fund accounts, the name(s) and location(s) of the banking institution where presently deposited, and the average daily activity and balance of each account.

(10) A written description and photographs or drawings of the space proposed for banking facility use. The extent and approximate cost of required alterations, including the construction of counters and teller cages, shall be included.

(11) A statement detailing the requirements of the proposed banking facility for safes, a vault, or both appropriate alarm systems and camera surveillance equipment, where deemed necessary. The statement shall include the costs of such equipment and the manner in which it will be acquired.

(12) In countries without U.S. contractor-operated banking facilities, a statement as required by §230.4(e)(1).

e. Establishment of an overseas banking facility is predicated upon:

(1) Designation of the facility contractor as a depositary and financial agent of the U.S. Government by the Fiscal Assistant Secretary of the Treasury.

(2) The availability of proposed banking contractors able and willing to bid for the operation of the facility, and the reasonableness of such proposals.

(3) The availability of appropriated funds to underwrite such banking services.

6. Other Overseas Banking Offices

The banking and currency control laws of certain host countries do not permit U.S. banking institutions to operate banking facilities on DoD installations.

a. Commanders of installations (communities) in such countries where there is a demonstrated need for additional banking service and the population meets the criterion in paragraph A.5.b., shall forward requests for banking services, or unsolicited proposals from local banks, through command channels with supporting data as required in paragraph A.5.d., of this appendix.

b. If the DoD Component concerned concurs in the request, it shall be forwarded to the DC(MS) for approval and coordination with the Fiscal Assistant Secretary of the Treasury for designation of the parent banking institution as a depositary and financial agent of the U.S. Government.

c. Overseas banking facilities shall become operational only after Treasury designation of the parent banking institution and an indication of the institution's willingness and ability to provide collateral backing for any

official and nonappropriated fund U.S. dollar deposits in a form acceptable to the DC(MS) and the Fiscal Assistant Secretary of the Treasury.

B. Support of On-Base Banking Offices

1. General

DoD Component regulations that implement this Instruction shall provide for installation support to all on-base banking offices, including:

a. Military or civilian guards (the latter to be used within the installation only), military police, or other protective services to accompany shipments of money from the parent banking institution or other source when such monies are primarily for use by the military disbursing officer, on paydays, and when required to avoid undue risks or insurance costs on the part of the on-base banking office. In this regard, overall security precautions normally present shall be considered.

b. Central locator service, under conditions identified in enclosure 3 of DoD Directive 1000.11, when requested by on-base banking offices. This service shall be provided at no cost in accordance with DoD Instruction 7230.7.

c. Debt processing assistance in accordance with DoD Directive 1344.9, as limited by the Privacy Act guidelines set forth in enclosure 3 of DoD Directive 1000.11. If delinquent loans or dishonored checks are not recouped within 48 hours, banking institutions operating on DoD installations may bring them to the attention of the local commander, bank liaison officer, or other designee for assistance in effecting restitution of the amount due, if not otherwise prohibited by law.

d. Clearance procedures for military personnel departing their installations that provide the on-base banking office with adequate notice of its customers' impending departure. Clearance involves reporting a change of address, reaffirming allotments or notes payable, and arranging for counseling, if appropriate. Clearance shall not be denied to facilitate the collection of debts or the resolution of disputes between the financial institution and its departing customers. Where administratively feasible, similar clearance procedures shall be used for departing DoD civilian personnel.

e. Prohibition of traveler's check and money order sales by organizations other than the on-base banking office, post office, and credit union during times when the banking office is open for business.

2. Domestic Nonself-Sustaining Banking Offices

When a DoD Component determines that a banking office has nonself-sustaining status, it may furnish logistic support without charge, as provided in paragraph B.2.d.

a. Through no-cost permits or licenses, a nonself-sustaining banking office may be provided space on a DoD installation at one or more locations for up to 5 years, as prescribed in DoD Directive 4165.6. The cumulative total of space authorized for one or more locations is subject to the limitations contained in MIL–HDBK–1190.

b. All space assigned by the GSA, whether leased or in Federal office buildings, is reimbursable to the GSA at the current GSA rental rates under Public Law 92–313. Consequently, the GSA shall charge the benefiting DoD Component for any GSA space assigned for banking office operations.

c. In those exceptional cases when a nonself-sustaining banking office is authorized to construct its own building or use its funds to expand, modify, or renovate Government-owned space, a no-cost permit or license may be provided. Duration of the permit or license shall be commensurate with the extent of the improvements as determined by the DoD Component concerned. It shall be effective until the agreed date of expiration or until the banking office is determined to be self-sustaining, whichever occurs first. The provisions of section C. in this appendix apply in the latter case.

d. The term ''logistic support'' shall include:

(1) Customer and work areas, in accordance with MIL–HDBK–1190 (reference (i)). It is important that the banking office be housed in a building accessible to most DoD personnel on the installation, in a location permitting maximum security.

(2) Steel bars, grillwork, security doors, a vault or safe (or both), burglar alarm system, other security features normally used by banking institutions, construction of counters and teller cages, and other necessary modifications and alterations to existing buildings subject to the procedures and fiscal limits in DoD Directive 4270.24.

(3) Utilities, custodial and janitorial services, and intrastation telephone service. The banking office shall pay costs for long-distance toll calls, however.

(4) Air-conditioning, which is considered a normal utility for banking offices located on installations qualifying for air-conditioning under DoD Component regulations. Banking space is classified as administrative space on DoD installations.

(5) When available from local stock, lease of the following at nominal cost; i.e., $1.00 per year, under authority of 10 U.S.C. 2667: typewriters, adding machines, other office equipment, and office furniture.

e. All maintenance, repair, rehabilitation, alterations, or construction for on-base banking offices shall comply with DoD Instruction 4165.64.

f. Upon determination that a banking office has become self-sustaining, its no-cost lease or permit shall be canceled and a lease

negotiated in accordance with section C., of this appendix.

3. Additional Support in Overseas Areas

a. *Banking facilities operated under contract.* In addition to the logistic support identified in paragraph B.2.d., the following shall be made available to banking facilities operating under DoD contract at overseas installations:

(1) U.S. Military Postal Service under DoD Directive 4525.6. Use of the free intra-theater delivery system (IDS) is authorized for all routine mail sent and received between Army Post Offices (APOs) and Fleet Post Offices (FPOs) within a theater.

(2) Access to DoD voice and data telecommunication systems as granted by the Defense Communications Agency on a case-by-case basis.

(3) Certificates of nonavailability, if required by the designated property administrator, when items of office equipment or furniture requested by the banking facility are unavailable for loan on memorandum receipt.

(4) Vehicle registration and purchase of fuel from Government-owned facilities for bank-operated vehicles if not in conflict with host-country agreements. Vehicle registrations shall be subject to normal fees.

(5) DoD housing on a rental basis to key banking facility personnel unable to find suitable, reasonably priced housing in the vicinity of the DoD installation, subject to the assignment procedures and other requirements of DoD 4165.63–M.

(6) Travel of U.S.-based banking institution officials to their overseas on-base offices as set forth in DoD Directive 4000.6. Invitational travel orders that authorize travel at no expense to the U.S. Government may be issued by the local commander for official onsite visits.

(7) Other support as required under the terms and conditions established during annual contract negotiations and confirmed in respective contracts. Suggestions for change may be forwarded through military channels to the DC(MS).

b. *Other overseas banking offices.* (1) Logistic support shall be negotiated with the parent banking institution and the resulting provisions incorporated into written operating agreements.

(2) Logistic support should not exceed that provided to banking offices in the United States. Whenever possible, parent banking institutions shall reimburse the DoD Component concerned for logistic support.

C. Leases of Government Real Property

1. *Government-Owned Buildings*

The lease of an existing structure to house a self-sustaining banking office shall be at appraised fair market rental value under the following terms and considerations:

a. The lease term shall not exceed 5 years, subject to renewal by mutual agreement, with the head of the DoD Component concerned reserving the right to terminate the lease under conditions specified in paragraph C.2.a., of this appendix. The banking institution shall reimburse the DoD Component concerned for GSA-assigned space at the current GSA rental rates.

b. When the banking institution uses its own funds to modify or renovate Government building space, a lease may be negotiated for a period not to exceed 25 years. Duration of the lease shall be commensurate with the extent of the improvements as determined by the DoD Component concerned.

c. The lessee shall perform any required interior alteration and maintenance and shall pay for utilities and custodial, janitorial, and other services furnished.

2. Government-Owned Land

a. Except as provided in paragraph B.2.c. of this appendix land required for approved building construction at bank expense shall be made available by real estate lease, at minimal charge; e.g., $1.00 per year. Once determined, the charges shall be applicable for the term of the lease.

b. When a banking institution participates in the construction of a complex, such as an installation shopping mall, it shall be provided a lease covering only underlying land for the specific space to be occupied by the banking office.

c. If determined, in accordance with 10 U.S.C. 2667, to be in the Government's interest, an existing lease of land may be extended before expiration of its term. Passage of title to facilities shall be deferred until all extensions have expired. Such extensions shall be for periods not to exceed 5 years. The banking institution shall continue to maintain the premises and pay for utilities and services furnished in accordance with DoD Instruction 7230.7.

d. Once determined, the rental charge under any lease granted at fair market value is applicable for the term of the lease. However, an extension of any such existing lease may provide for nominal rental, i.e., $1.00 for the term of the lease extension.

e. When, under the terms of a lease, title to improvements passes to the Government, arrangements shall normally be made:

(1) By no-cost permit or license for the continued occupancy of those improvements by a nonself-sustaining banking office if it continues to be nonself-sustaining. When the square footage involved exceeds that authorized in MIL–HDBK–1190, the banking office shall be given first choice to continue occupying the excess space under a lease that provides for nominal rental for the land underlying that excess space; or

(2) By lease for continued occupancy of those improvements by a self-sustaining banking office at nominal rental only for the land associated therewith. The lessee shall continue to maintain the premises and pay the cost of utilities and services furnished, in accordance with DoD Instruction 7230.7.

3. Other Lease Considerations

a. The term of a lease may exceed 5 years only when a Military Department Secretary, or designee, determines that such an extended term will promote the national defense or be in the public interest, under 10 U.S.C 2667(b)(1).

b. Leases shall include the provision that, in the event of national emergency or the following events, at the option of the Government, structures and other improvements erected thereon shall be conveyed to the Government without reimbursement or removed and the land restored to its original condition:

(1) Installation inactivation, closing, or other disposal action;

or

(2) Termination of the banking institution's lease under § 230.5(i) of this part.

c. Leases executed before this part takes effect shall not be altered unless a lessee specifically requests a renegotiation under these provisions. No lease contract may be negotiated or renegotiated, nor may any rights thereunder be waived or surrendered, without compensation to the Government, except as provided in § 230.5(h).

D. Construction of Bank Buildings

Banking institution proposals to finance construction of buildings on domestic DoD installations must be processed in accordance with DoD Instruction 7700.18. In support of each construction proposal, the banking institution shall provide written assurance that:

1. Management understands its potential loss of the building in the event of installation closure or other delimiting condition identified in paragraph C.3.b., of this appendix.

2. The proposed building shall serve only the needs of the banking office and shall not be used to house other activities.

3. Management accepts financial responsibility for and shall reimburse the U.S. Government for all costs of construction and maintenance, utilities, and other services furnished. Rates shall be established under DoD Directive 4000.6 and confirmed by a written agreement between the DoD installation and the banking institution.

E. Banking Office Termination

1. Domestic Banking Facilities

a. The installation commander shall notify the DoD Component headquarters concerned when a banking facility has been placed in an inactive status and when personnel reductions at the DoD installation have reduced banking facility operations to below a justifiable level. The DoD Component shall advise the DC(MS) and the Fiscal Assistant Secretary of the Treasury so that the banking institution's authority to operate the banking facility may be terminated.

b. In general, the parent banking institution may close a banking facility after sending written notification to the Treasury Department and the installation commander not less than 90 days before the closing date. The Treasury Department shall then terminate the banking institution's authority to operate the banking facility, and the DoD Component concerned shall determine the feasibility of requesting another banking institution to operate at the installation.

2. Other Domestic Banking Offices

a. Requests for termination for cause shall be processed in accordance with § 230.5(i)(2).

b. Banking offices other than banking facilities may be terminated by the parent banking institution provided written notice is furnished to the installation commander not less than 90 days before the closing date.

3. Overseas Banking Facilities Operated Under Contract

a. The installation (community) commander shall, through DoD Component channels, notify the DC(MS) when personnel reductions or other situations at the DoD installation (military community) have reduced banking facility activity to below a level justifying continued operation.

b. Such notifications shall indicate whether a part-time facility should be established and the number of hours and days per week that such an operation is justified.

4. Other Overseas Banking Offices.

Terminations shall be effected under termination clauses in respective operating agreements. Notice of intent to terminate, including the closing date, shall be forwarded by the overseas component commander in accordance with DoD Component implementing instructions. The DoD Component shall so notify the DC(MS) and Fiscal Assistant Secretary of the Treasury so that the banking institution's authority as a depositary and financial agent of the U.S. Government may be revoked.

F. Notification of Banking Offices

Each DoD Component shall ensure that every banking institution with an office at its installations receives a copy of the document that implements this Instruction and DoD Directive 1000.11.

APPENDIX B TO PART 230—OPERATIONS OF ON-BASE BANKING OFFICES

A. Services Rendered

1. To Individuals and Nonappropriated Fund Instrumentalities

a. Normally, banking offices shall provide the same services at DoD installations as available locally. Service charges or fees levied for such services may not exceed those customary for the banking institution that operates the banking office, with the following exceptions:

(1) Treasury checks shall be cashed for all DoD personnel and there will be no charge to the banking office's account holders.

(2) A reasonable charge may be made for cashing personal checks; however, checks drawn on the banking institution operating the banking office shall be cashed without charge provided sufficient collected funds are on deposit to cover such checks.

b. Counseling service shall be made available without charge to individual account holders. Such services shall include helping customers to budget and solve financial problems. Military members in junior enlisted grades or newly married couples who apply for loans shall receive special attention and counseling.

c. In accordance with accepted banking practice, policies on loans to individuals are expected to be as liberal as possible while remaining consistent with the overall interests of the banking institution and its stockholders.

(1) On-base banking offices must strive to provide the best possible service to all customers. Offices that evidence a policy of discrimination in their loan services are in violation of this Instruction. In resolving complaints of discrimination, the installation commander shall follow procedures specified in §230.5(g)(1).

(2) On-base banking offices shall conform to the Standards of Fairness principles as set forth in DoD Directive 1344.9 before executing loan or credit agreements. Should an on-base banking office refer a prospective borrower to an off-base office of the same institution, it shall advise the latter office that the DoD requires compliance with the Standards of Fairness before executing the loan or credit agreement.

2. To Disbursing Officers

a. Banking offices are expected to provide payroll cash to military disbursing offices, upon request. Local operating funds may be expended if the banking office requests reimbursement for costs incurred.

b. When so authorized, banking offices shall accept deposits for credit to the Treasury's General Account.

B. Staffing

1. On-base banking offices are expected to be adequately staffed commensurate with banking industry standards for similar numbers of account holders and financial services rendered. Staffing at overseas banking facilities operated under contract shall be maintained within negotiated ceilings.

2. Remote service locations at the same installation may be staffed with one person alone, provided that there is a direct courier or message service to the main on-base banking office.

3. All staffing shall fully comply with the spirit and intent of the DoD equal employment opportunity policies and programs, in accordance with DoD Directive 1440.1.

4. Neither active duty military personnel nor DoD civilian employees may be detailed to duty or employment with an on-base banking office. However, off-duty DoD personnel may be employed by a banking office if approved by the installation commander following a determination that such employment will not interfere with the full performance of the individual's official duties.

C. Hours of Operation

1. General

On-base banking offices may conduct operations during normal duty hours provided they do not disrupt the performance of official duties. Banking offices should set operating hours that meet the needs of all concerned. ATMs may be used to provide expanded service and operating hours.

2. Overseas Banking Facilities Operated Under Contract

Although respective contracts limit the number of operating hours per week, installation (community) commanders and banking facility managers are encouraged to agree on the specific days and hours of operation that best meet local needs.

a. Operating days negotiated locally may include Saturdays, and operating hours may include evening hours when necessary to complement or parallel other retail services available to DoD personnel, provided the contractor agrees to provide such service at no additional cost to the Government.

b. When cost implications are involved, the installation (community) commander shall forward his request for expanded or modified days or hours of operation, with a justification therefor, through military channels for consideration by the DC(MS).

D. Deposit Insurance

Domestic on-base banking offices must provide insurance coverage by the FDIC (for commercial banks and certain savings banks) or FSLIC (for certain savings banks and all other savings associations as defined in DoD Directive 1000.11. A banking office not maintaining such insurance shall be suspended from on-base operation.

E. Allotments of Pay

DoD personnel may use their allotment of pay privileges as authorized by DoD Directives 7330.1 and 1418.4 to establish sound credit and savings practices through on-base banking offices.

1. The banking institution shall credit customer accounts not later than the value date of the allotment check or electronic funds transfer.

2. Under no circumstances shall the initiation of an allotment of pay become a prerequisite for loan approval or disbursement to the banking office's customer. Allotments voluntarily consigned to a banking office shall continue at the option of the allotter.

F. Advertising

1. Advertising of on-base banking services shall be in harmony with applicable policies continued in DoD Directive 1344.7.

2. Advertising in official Armed Forces newspapers and periodicals (DoD Instruction 5120.4 and DoD Directive 5120.43) is prohibited with the exception of insert advertising in the *Stars and Stripes* overseas.

3. DoD Directive 5120.20 prevents use of the Armed Forces Radio and Television Service to promote a specific financial institution.

4. An on-base banking office may use the unofficial section of that installation's daily bulletin, provided space is available, to inform DoD personnel of financial services and announce seminars, consumer information programs, and other matters of broad general interest. Announcements of free financial counseling services are encouraged. Such media may not be used for competitive or comparative advertising of, for example, specific interest rates on savings or loans.

5. An on-base banking office may use that installation's information bulletin boards for announcements of a broad general nature that complement the installation's financial counseling and thrift promotion programs. An on-base banking office may, with moderation, use that installation's message center services to distribute announcements for display on informational bulletin boards, provided this does not overburden the distribution system.

6. Installations, to include military exchange outlets or concessionaires, shall not permit the distribution of competitive literature from other banking institutions at locations served by on-base banking offices. This does not prevent:

a. A banking institution from using mail, telecommunications, or commercial advertising to serve its customers.

b. Exchange Services from distributing literature on affinity credit cards centrally acquired through competitive solicitation.

G. Supplemental Conditions for Overseas Operation

1. General

Overseas banking facilities shall operate under terms and conditions established at the time of annual contract negotiations and confirmed in respective contracts or contracting officer determinations.

2. Authorized Customers

Respective banking contracts specify personnel authorized to receive service. Additionally, overseas major commanders may approve banking services for other individuals and organizations that qualify for individual logistic support under the regulations of the DoD Component concerned, provided that use of banking services is not prevented by status of forces agreement, other intergovernmental agreement, or local law.

3. Services Rendered

Services to be rendered and related charges shall be specified in respective contracts. Suggestions for expansion or modification of authorized services, fees, or charges may be forwarded through military channels to the DC(MS). Proposals for any new service must be coordinated with the appropriate Unified Commander and U.S. Chief of Diplomatic Mission or U.S. Embassy to make certain that the proposal does not conflict with status of forces agreements or host-country law.

4. Acceptance of Services Rendered

DoD Component regulations implementing this Instruction shall require each commander for an installation (military community) with a banking facility, or designee, to:

a. Review monthly income, expense, and activity statements provided by full-time banking facilities.

b. Report to the banking facility manager within 7 calendar days of discovering any deficiency in the delivery of contractual banking services. If the deficiency is not remedied within 30 calendar days, the commander shall report the matter through military channels to the DC(MS).

5. Other Operating Conditions

a. Both the banking facility contractor and DoD disbursing officers shall ensure that cash management practices minimize the cash required to conduct business.

b. Banking facility provision of foreign currencies shall be in accordance with DoD Directive 7360.11.

c. When military payment certificates are prescribed for the area in which the overseas banking facility is operating, they shall be used in accordance with DoD Directive 7360.5 and any DoD Component regulations implementing that issuance.

d. Overseas major commanders shall cooperate with banking facilities contractors in planning for the provision or termination of banking services in the event of hostilities or other emergencies.

6. Other Overseas Banking Offices

a. Operating agreements executed under §230.5(d) of this part shall specify authorized customers, services rendered and related charges, and conditions of operation. To the extent feasible, services and charges shall be negotiated to parallel those provided by banking facilities operated under the DoD banking contracts.

b. Before such agreements are executed, they shall be coordinated with the Unified Commander, or designee, and the DoD Component concerned. Upon approval, copies shall be provided to the DC(MS).

PART 231—FINANCIAL INSTITUTIONS ON DOD INSTALLATIONS

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APPENDIX A TO PART 231—GUIDELINES FOR APPLICATION OF THE PRIVACY ACT TO FINANCIAL INSTITUTIONS ON DOD INSTALLATIONS

AUTHORITY: 10 U.S.C. 136.

SOURCE: 54 FR 33513, Aug. 15, 1989, unless otherwise noted.

§231.1 Purpose.

This part:

(a) Reissues DoD Directive 1000.11[1] (32 CFR part 231) and updates policies and responsibilities for financial institutions that serve DoD personnel on DoD installations worldwide. Associated procedures are contained in DoD Instruction 1000.10[2] (32 CFR part 231a) and DoD Instruction 1000.12[3] (32 CFR part 230).

(b) Ensures that arrangements for the provision of services by financial institutions are consistent among DoD Components, and that financial institutions operating on DoD installations provide, and are provided, support consistent with the policies stated herein.

§231.2 Applicability.

This part applies to the Office of the Secretary of Defense (OSD), the Military Departments, the Joint Chiefs of Staff (JCS), the Joint Staff and the supporting Joint Agencies, the Unified and Specified Commands, the Inspector General of the Department of Defense (IG, DoD), the Uniformed Services University of the Health Sciences (USUHS), the Defense Agencies, and the DoD Field Activities (hereafter referred to collectively as ''DoD Components'').

§231.3 Definitions.

Automated Teller Machine (ATM). An electronic machine that dispenses cash, and may perform such other functions as funds transfers among a customer's various accounts and acceptance of deposits. Equipment generally is activated by a plastic card in combination with a personal identification number (PIN). Shared access refers to ATMs that may be used by cardholders of more than one financial institution.

Bank and/or Credit Union Liaison Officer. A commissioned officer or DoD civilian employee of equivalent grade appointed by an installation (military community) commander to work with officials of the servicing financial institution and its clients. A noncommissioned officer may be appointed if he or she is the senior financial management official at the installation.

Banking Facility. A banking office located on a DoD installation and operated by a financial institution that the Treasury Department has specifically authorized, under its designation as a ''depository and financial agent of the U.S. Government,'' to provide certain banking services at the installation. Such offices may be either self-sustaining or nonself-sustaining. Also known

[1] Copies may be obtained, if needed, from the U.S. Naval Publications and Forms Center, Attn: Code 1053, 5801 Tabor Avenue, Philadelphia, PA 19120

[2] See footnote 1 to §231.1

[3] See footnote 1 to §231.1

as a military (or community) banking facility.

Banking Institution. The organization that is chartered to operate a banking office on a DoD installation. For purposes of this Directive and DoD Instructions 1000.10 and 1000.12, the term also includes savings associations as defined herein.

Banking Office. A banking facility, branch bank, or independent bank operated by a banking institution on a DoD installation. Also includes savings associations and their branches operated on a DoD installation.

Branch Bank. A separate unit chartered to operate at an on-base location geographically remote from its parent banking institution.

Credit Union. A cooperative nonprofit association, incorporated under the Federal Credit Union Act, 12 U.S.C. 1751 et seq., or similar State statute, for the purposes of encouraging thrift among its members and creating a source of credit at a fair and reasonable rate of interest.

Credit Union Branch. A subsidiary office of an existing full-service credit union.

Credit Union Facility. A facility employing a communications system with the parent credit union to conduct business at remote locations where a full-service credit union or credit union branch is impractical. Credit union facilities need not provide cash transaction services, but must disburse loans and shares via check or draft and provide competent financial counseling during normal working hours.

Defense Credit Union. A State or federally chartered credit union with a field of membership composed primarily of DoD personnel.

Discrimination. Any differential treatment in provision of services, including loan services, by a financial institution to DoD personnel and their dependents on the basis of race, color, religion, national origin, sex, marital status, age, rank, or grade. However, if uniformly applied, the amount of credit extended may be directly based upon an applicant's total income.

DoD Personnel. All military personnel; civil service employees; other civilian employees, including special Government employees of all offices, Agencies, and Departments performing functions on a DoD installation (including nonappropriated fund instrumentalities); and their dependents. On domestic DoD installations, retired U.S. military personnel and their dependents are included.

Domestic DoD Installation. A military installation located within a State of the United States, the District of Columbia, or the Commonwealth of Puerto Rico.

Fair Market Rental. A reasonable charge for on-base land, buildings, or building space (i.e., property). Rental is determined by a Government appraisal, based on comparable properties in the local civilian economy. However, the appraiser shall consider that on-base property may not always be comparable to similar property in the local commercial geographic area; for example, limitation of usage and access to the financial institution by persons other than those on the installation, proximity to the community center or installation business district, the Government's right to terminate the lease or take title to improvements constructed at the financial institution's expense, and the limited consumer environment of a DoD installation.

Federal Credit Union. A credit union established and operated under authority granted by the Federal Credit Union Act, 12 U.S.C. 1751 et seq., and chartered, supervised, and periodically examined by the National Credit Union Administration.

Field of Membership. The group of people entitled to credit union membership because of a common bond of occupation or association; or employment or residence within a well-defined neighborhood, community, or rural district. The field of membership is defined in the credit union's charter by the Federal or State regulatory agency.

Financial Institution. This term encompasses any banking institution, credit union, and subordinate office or facility, each as separately defined herein.

Financial Services. Those services commonly associated with financial institutions in the United States, such as checking, share and savings accounts; funds transfers; sales of official checks,

money orders, and travelers checks; loan services; safe deposit boxes; trust services; sale and redemption of U.S. Savings Bonds; and acceptance of utility payments.

Full-Service Credit Union. A credit union that provides full-time counter transaction services, to include cash operations, and is staffed during normal working hours by a loan officer, a person authorized to sign checks, and a qualified financial counselor. In overseas areas, ''full service'' includes cash operations where not prevented by:

(a) Host-country law or regulation, or

(b) Physical security requirements that cannot be resolved by the credit union or local command.

Full-Time. Refers to a banking facility or credit union branch that operates at least 5 days a week.

Independent Bank. A bank specifically chartered to operate on a DoD installation, whose directors and officers usually come from the local business and professional community. Such operations are thus differentiated from countywide or statewide branch systems consisting of a head office and one or more geographically separate branch offices.

Malpractice. Any unreasonable lack of skill or fidelity in fiduciary duties, or the intentional violation of an applicable law or regulation, or both, that governs the operations of the financial institution. A violation shall be considered intentional if the responsible officials know that an action or inaction violated a law or regulation.

National Bank. An association approved and chartered by the Comptroller of the Currency to operate a banking business.

On-base. Refers to physical presence on a domestic or overseas DoD installation.

Operating Agreement. A mutual agreement between the DoD installation commander and on-base financial institution regarding their relationships.

Overseas DoD Installation. A military installation (or community) located outside the States of the United States, the District of Columbia, or the Commonwealth of Puerto Rico.

Part-Time. Refers to a banking facility or credit union branch that operates fewer than 5 days a week, exclusive of additional payday service.

Regulatory Agency. Includes the Office of the Comptroller of the Currency; the Federal Deposit Insurance Corporation; the Federal Home Loan Bank Board; the several Federal Reserve Banks and the Board of Governors of the Federal Reserve System; the National Credit Union Administration; the various State agencies and commissions that oversee financial institutions; and, for banking facilities, the Fiscal Assistant Secretary of the Treasury.

Savings Association. A State or federally chartered mutual or stock savings institution, to include savings and loan associations, building and loan associations, homestead associations, and savings banks.

Share Draft. A negotiable or nonnegotiable draft or other order prepared by a credit union member and used to withdraw shares from a share draft account, normally through the commercial banking system.

State Bank. An institution, organized and chartered under the laws of a State of the United States, to operate a banking business within that State.

State Credit Union. An institution, organized and chartered under the laws of a State of the United States, that operates under the same general principles as a Federal credit union and is supervised and examined by a State regulatory agency or commission.

§231.4 Policy.

(a) Duly chartered financial institutions may be authorized to provide services, where demonstrated and justified needs exist, to facilitate the administration of public and quasi-public monies and enhance the morale and welfare of DoD personnel.

(b) Financial institutions shall be established on DoD installations only after approval by the appropriate regulatory agency and the DoD Component concerned.

(1) Independent or branch banks, full-service credit unions, and savings associations are the preferred sources of on-base service at domestic installations.

(2) Banking facilities shall be established on DoD installations only when

a demonstrated and justified need cannot be met through other means. Normally, banking facilities shall be used only at overseas locations and in States that prohibit branch banking. In times of mobilization, it may become necessary to designate additional banking facilities as an emergency measure. Upon recommendation by a DoD Component, banking facilities are designated by the Treasury Department under 12 U.S.C. 265.

(3) The extension of banking facility and credit union services overseas is encouraged, consistent with the policies stated herein and with pertinent status of forces agreements, bilateral arrangements, and local laws.

(4) Retail banking operations shall not be performed by DoD activities. DoD Components shall rely on commercially available sources in accordance with DoD Directive 4100.15[4] (32 CFR part 169). However, proposals to seek the provision of financial services by institutions off the installation, when such services are available from existing on-base institutions, shall be approved by the DoD Component headquarters only after consultation with the Comptroller, Department of Defense (C, DoD).

(c) Financial institutions authorized to locate on DoD installations shall be provided logistic support as set forth in DoD Instructions 1000.10 and 1000.12.

(d) Military disbursing offices, nonappropriated fund instrumentalities, and other DoD installation activities shall use on-base financial institutions to the maximum extent feasible and consistent with sound management practice.

(e) DoD personnel who tender uncollectible checks, overdraw their accounts, or fail to meet their financial obligations in a proper and timely manner damage their credit reputation and affect the public image of all DoD personnel. Furthermore, losses sustained by financial institutions on DoD installations as a result of these actions increase operating costs and may reduce the institutions' viability. Such added operating costs must be borne by other customers and, in some cases, may increase the cost to the Government of providing on-base financial services. Military financial counselors or legal advisors shall recommend workable repayment plans that avoid further endangering credit ratings and careers of affected personnel. Counselors shall ensure that such personnel are aware of the stigma associated with bankruptcy and shall recommend its use only as a last resort, when no other alternative will alleviate the situation.

(f) It is DoD policy to support the delivery of retail financial services on DoD installations via automated teller machines (ATMs) that have connectivity to national networks; e.g., the Armed Forces Financial Network.

(1) Each on-base financial institution is encouraged to offer ATM service with network connectivity. Proposals to install ATMs from on-base financial institutions shall be considered under provisions stated in DoD Instructions 1000.10 and 1000.12.

(2) Proposals to install ATMs from other than on-base financial institutions may be considered under the following circumstances:

(i) If the proposal offers ATM service with network connectivity, the installation commander shall determine whether the existing ATM(s) on the installation has network connectivity.

(ii) If the existing ATM(s) provides network connectivity, no further action is appropriate. If the existing ATM(s) does not provide network connectivity, the on-base financial institution shall be given up to 6 months to provide such connectivity.

(iii) If ATM service is unavailable or if existing on-base ATM service does not provide network connectivity within the 6-month period, the installation commander may seek ATM service with network connectivity from another financial institution. Lease of space for ATM installation would be under terms as stated in DoD Instructions 1000.10 and 1000.12.

(g) The termination of operations by an on-base financial institution shall be initiated by a DoD Component only under one of the following conditions:

(1) The mission of the installation has changed, or is scheduled to be

[4] See footnote 1 to § 231.1.

changed, thereby eliminating or substantially reducing the requirement for financial services.

(2) Active military operations prevent continuation of on-base financial services.

(3) The performance of the financial institution in providing services is not satisfactory according to standards ordinarily associated with the financial services industry or is inconsistent with the procedures prescribed in DoD Instructions 1000.10 and 1000.12. Termination actions begun on the basis of inadequate performance shall be substantiated by sufficient evidence. Such actions shall be coordinated with the appropriate regulatory agency and the Comptroller of the Department of Defense before being carried out.

§ 231.5 Responsibilities.

(a) The *Comptroller of the Department of Defense* (C, DoD) shall:

(1) Develop and monitor policies and procedures governing establishment, operation, and termination of financial institutions on DoD installations.

(2) Monitor industry trends, conduct studies and surveys, and facilitate appropriate dialogues on banking and credit union arrangements and cost-benefit relationships, coordinating as necessary with DoD Components, financial institutions, and trade associations.

(3) Maintain liaison, as appropriate, with financial institution regulatory agencies at Federal and State levels.

(4) Maintain liaison with financial institution trade associations, leagues, and councils in order to interpret DoD policies toward respective memberships and to aid in resolving mutual concerns affecting provision of financial services.

(5) Coordinate with the Assistant Secretary of Defense (Force Management and Personnel) (ASD(FM&P)) on all aspects of morale and welfare and with the Assistant Secretary of Defense (Production and Logistics) (ASD(P&L)) on all aspects of logistic support for on-base financial institutions.

(6) Take final action on requests for exceptions to this part.

(b) The *Assistant Secretary of Defense (Production and Logistics)* (ASD(P&L)) shall develop and monitor policies and procedures governing logistic support furnished to financial institutions on DoD installations, including the use of DoD real property and equipment.

(c) The *Assistant Secretary of Defense (Force Management and Personnel)* (ASD(FM&P)) shall advise the C, DoD, on all aspects of on-base financial institution services that affect the morale and welfare of DoD personnel.

(d) The *Heads of DoD Components* shall:

(1) Take action on requests to establish or terminate financial institution operations on respective installations subject to DoD Instructions 1000.10 and 1000.12.

(2) Supervise and encourage the use of financial institutions on DoD installations as a means to:

(i) Facilitate convenient, effective management of the appropriated, nonappropriated, and private funds of on-base activities.

(ii) Assist DoD personnel in managing their personal finances by participating in direct deposit programs and regular savings plans. Use of on-base financial institutions shall be on a voluntary basis and should not be urged in preference to, or to the exclusion of, other financial institutions.

(3) Recognize the right of military personnel and civilian employees to organize and join credit unions formed under duly constituted authority, and encourage the application and expansion of the principles of the credit union movement throughout the DoD establishment.

(4) Encourage and assist duly chartered financial institutions to provide complete financial services on DoD installations where there is a demonstrated need for such services.

(5) Establish liaison, as appropriate, with Federal and State regulatory agencies and financial institution trade associations, leagues, and councils.

(6) Provide debt processing assistance to on-base financial institutions in accordance with the Privacy Act guidelines in appendix to this part.

APPENDIX A TO PART 231—GUIDELINES FOR APPLICATION OF THE PRIVACY ACT TO FINANCIAL INSTITUTIONS ON DOD INSTALLATIONS

A. The following guidelines govern application of DoD Directive 5400.11 to those financial institutions that operate under this part:

1. Financial institutions and their branches and facilities operating on DoD military installations do not fall within the purview of 5 U.S.C. 552 et seq.

a. These financial institutions do not fit the definition of ''agency'' to which the Privacy Act applies: ''* * * any executive department, Military Department, Government corporation, Government-controlled corporation, or other establishment in the executive branch of the Government (including the Executive Office of the President), or an independent regulatory agency'' (5 U.S.C. 552(e) and 552a(a)(1)).

b. Nor are they ''government contractors'' within the meaning of section 552a(m) of reference (h), as they do not operate a system of records on behalf of an agency ''* * * to accomplish an agency function.'' According to the Office of Management and Budget Privacy Act Guidelines, the provision relating to Government contractors applies only to systems of records ''* * * actually taking the place of a Federal system which, but for the contract, would have been performed by an agency and covered by the Privacy Act.'' Clearly, the subject institutions do not meet these criteria.

c. Since the Act does not apply to them, these financial institutions are not required to comply with section 552a(e)(3) of Title 5, United States Code, in obtaining and making use of personal information in their relationships with personnel authorized to use such institutions. Thus, these institutions are not required to inform individuals from whom information is requested of the authority for its solicitation, the principal purpose for which it is intended to be used, the routine uses that may be made of it, or the effects of not providing the information. There also is no requirement to post information of this nature within on-base banking and credit union offices.

2. The financial institutions concerned hold the same position and relationship to their account holders, members, and to the Government as they did before enactment under OMB Circular A–108. Within their usual business relationships, they still are responsible for safeguarding the information provided by their account holders or members and for obtaining only such information as is reasonable and necessary to conduct business. This includes credit information and proper identification, which may include social security number, as a precondition for the cashing of checks.

3. Financial institutions may incorporate the following conditions of disclosure of personal identification in all contracts, including loan agreements, account signature cards, certificates of deposit agreements, and any other agreements signed by their account holders or members:

I hereby authorize the Department of Defense and its various Components to verify my social security number or other identifier and disclose my home address to authorized (name of financial institution) officials so that they may contact me in connection with my business with (name of financial institution). All information furnished will be used solely in connection with my financial relationship with (name of financial institution).

When the financial institution presents such signed authorizations, the Military Commands or installations shall provide the appropriate information.

4. Even though the agreement described in subsection A.3., above, has not been obtained, the Department of Defense may provide these financial institutions with salary information and, when pertinent, the length or type of civilian or military appointment, consistent with DoD Directives 5400.11 and 5400.7. Some examples of personal information pertaining to DoD personnel that can normally be released without creating an unwarranted invasion of personal privacy are name, rank, date of rank, salary, present and past duty assignments, future assignments that have been finalized, office phone number, source of commission, and promotion sequence number.

5. When DoD personnel with financial obligations are reassigned and fail to inform the financial institution of their whereabouts, they should be located by contacting the individual's last known commander or supervisor at the official position or duty station within that particular DoD Component. That commander or supervisor shall either furnish the individual's new official duty location address to the financial institution, or shall forward, through official channels, any correspondence received pertaining thereto to the individual's new commander or supervisor for appropriate assistance and response. Correspondence addressed to the individual concerned at his or her last official place of business or duty station shall be forwarded as provided by postal regulations to the new location, but the individual may choose not to respond. However, once an individual's affiliation with the Department of Defense is terminated through separation or retirement, the locator assistance the Department may render in the disclosure of home address is severely curtailed unless the public interest dictates disclosure of the last

known home address. The Department of Defense may, at its discretion, forward correspondence to the individual's last known home address. The individual may choose not to respond; and the Department may not act as an intermediary for private matters concerning former DoD personnel who are no longer affiliated with it.

B. Questions concerning this guidance should be forwarded through channels to the Deputy Comptroller (Management Systems) (DC(MS)), Office of the Comptroller of the Department of Defense, Pentagon, Washington, DC 20301–1100.

PART 231a—PROCEDURES GOVERNING CREDIT UNIONS ON DOD INSTALLATIONS

Sec.

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APPENDIX A TO PART 231A—OPERATIONS OF DEFENSE CREDIT UNIONS

AUTHORITY: 10 U.S.C. 136.

SOURCE: 54 FR 33516, Aug. 15, 1989, unless otherwise noted.

§231a.1 Purpose.

This document reissues DoD Instruction 1000.10[1] (32 CFR part 230) and provides procedural guidance to supplement DoD Directive 1000.11[2] (32 CFR part 231) concerning relations with credit unions serving on DoD installations.

§231a.2 Applicability and scope.

This part applies to:

(a) The Office of the Secretary of Defense (OSD), the Military Departments, the Joint Chiefs of Staff (JCS), the Joint Staff and the supporting Joint Agencies, the Unified and Specified Commands, the Inspector General of the Department of Defense (IG, DoD), the Uniformed Services University of the Health Sciences (USUHS), the Defense Agencies, and the DoD Field Activities (hereafter referred to collectively as ''DoD Components'').

(b) All credit unions and military exchange outlets that operate on DoD installations.

§231a.3 Definitions.

Terms used in this Instruction are defined in 32 CFR part 231.

§231a.4 Responsibilities.

(a) The Comptroller of the Department of Defense (C, DoD), or designee, the Deputy Comptroller (Management Systems) (DC(MS)), shall:

(1) Coordinate the DoD credit union program, consulting on aspects that pertain to the morale and welfare of DoD personnel with the Assistant Secretary of Defense (Force Management and Personnel) (ASD(FM&P)).

(2) Maintain liaison, as necessary, with the National Credit Union Administration (NCUA) and equivalent State regulatory agencies.

(3) Coordinate on DoD Component actions that propose a credit union's removal for cause from an installation before final decision and referral to the appropriate regulatory agency.

(4) Take final action on requests for exception to this part.

(b) The Assistant Secretary of Defense (Production and Logistics) (ASD(P&L)) shall carry out responsibilities outlined in subsection F.2. of DoD Directive 1000.11.

(c) The Assistant Secretary of Defense (Force Management and Personnel) (ASD(FM&P)) shall carry out responsibilities outlined in subsection F.3. of DoD Directive 1000.11.

(d) The Secretaries of the Military Departments and Directors of Defense Agencies shall:

(1) Supervise the use of credit unions on respective DoD installations within the guidance contained herein and DoD Directive 1000.11.

(2) Assist respective on-base credit unions in developing and expanding necessary services for DoD personnel, consistent with this part.

(3) Encourage DoD personnel to serve on credit union boards and committees on a voluntary basis, without compensation, when neither conflict of duty nor conflict of interest is involved, as stated in DoD Directive

[1] Copies may be obtained, if needed, from the U.S. Naval Publications and Forms Center, Attn: Code 1053, 5801 Tabor Avenue, Philadelphia, PA 19120.

[2] See footnote l to §231a.1.

5500.7[3] (32 CFR part 40). Such personnel may be allowed to attend credit union conferences and meetings in accordance with DoD Directive 1327.5,[4] Civilian Personnel Manual (CPM) Supplement 990–2, and Comptroller General Decision B–212457.

(4) Ensure that the recommendations of the Unified or Specified Command concerned are considered before processing requests for overseas credit union service or related actions emanating from overseas component commands.

(5) Refer matters requiring policy decisions or proposed changes to this part or 32 CFR part 231 to the DC(MS).

(e) The Commanders of Unified and Specified Commands, or designees, shall:

(1) Ensure the appropriate coordination of requests to:

(i) Establish credit union service in countries not presently served. Such requests shall include a statement that the requirement has been coordinated with the U.S. Chief of Diplomatic Mission or U.S. Embassy and that the host country will permit the operation.

(ii) Totally eliminate credit union service in a country. Such requests shall include a statement that the U.S. Chief of Diplomatic Mission has been informed and that appropriate arrangements to coordinate local termination announcements and procedures have been made with the U.S. Embassy.

(2) Monitor and coordinate credit union operations within the command area. Personnel assigned to security assistance positions shall not serve in this capacity without the prior approval of the Director, Defense Security Assistance Agency (DSAA).

§ 231a.5 General operating policies and procedures.

(a) *General.* Given their role in promoting morale and welfare, credit unions operating on DoD installations shall be recognized and assisted by DoD Components at all levels. These credit unions shall provide services to DoD personnel of all ranks and grades within their respective fields of membership.

(b) *Limitation on service.* (1) Only one credit union shall establish a branch or facility on a DoD installation, and its field of membership normally shall include all assigned DoD personnel. On installations where more than one credit union already exists, each is entitled to the benefits defined in this part.

(2) Except as authorized in section G., appendix to this part, commanders of installations served by on-base credit unions shall ensure that installation activities do not disseminate literature from competing credit unions.

(c) *Establishing domestic credit union service.* (1) A demonstrated need for credit union services may be addressed by establishing a new full-service credit union or by opening a branch office or facility of an existing credit union under the common bond principle.

(2) Each DoD Component shall develop internal instructions, consistent with the following, that govern the submission and justification of requests to establish credit unions on respective installations:

(i) DoD personnel seeking to establish a new full-service credit union or a branch or facility of an existing credit union shall submit a proposal to the installation commander. Such proposals shall be forwarded through channels to the DoD Component headquarters concerned, together with recommendations for acceptance or rejection.

(ii) The DoD Component shall notify credit unions that operate on DoD installations of the need for service; review the specific proposals of interested credit unions; coordinate with its field commands as appropriate; and recommend for approval the designation of a credit union to the appropriate regulatory agency, providing an information copy to the DC(MS). No specific NCUA approval is required for a Federal credit union to open a branch office.

(iii) No commitment may be made to a credit union regarding its proposal until the appropriate regulatory agency has announced a selection.

(d) *Establishing overseas credit union service.* (1) When the installation (community) commander determines that credit union services are needed at a location within an existing geographic

[3] See footnote 1 to § 231a.1.

[4] See footnote 1 to § 231a.1.

franchise (see subsection H.2., appendix to this part), and the DoD Component headquarters concurs, the commander shall contact the servicing Defense credit union and request that a branch or facility be established. The basic decision concerning such extensions of service rests with the servicing credit union. If a field of membership has not previously been granted by NCUA to encompass a DoD designated geographic franchise, the DoD Component shall canvass federally-chartered Defense credit unions for proposals to service the solicited region.

(2) In addition to the requirements stated in paragraph (c)(2) of this section, installation commanders shall provide the following information in support of requests to their DoD Component headquarters for overseas credit union service:

(i) In countries not presently served, a statement concurred in by the Unified Commander that the requirement has been coordinated with the U.S. Chief of Diplomatic Mission or U.S. Embassy and that the host country will permit the operation, with any conditions imposed by the host country identified.

(ii) The name and location of the nearest credit union branch or facility.

(iii) The distance between the installation and the nearest credit union branch or facility and the availability of any official or public transportation.

(iv) The number of DoD personnel in duty assignments that confine them to the installation, or who cannot obtain transportation (such as hospital patients).

(3) In reviewing proposals received from Federal Defense credit unions under paragraph (c)(2) of this section, the DoD Component shall give preference to proposals for full-service credit union operations. After coordination with the DC(MS), the DoD Component shall recommend designation of the selected credit union to the NCUA.

(4) A proposed amendment to the federally-chartered credit union's charter must be submitted to the NCUA for approval of service to new groups or geographic areas. Recommendations to the NCUA shall include identification of the primary installation from which the proposed branch would operate and the geographical territory in which any additional branches, facilities, or mobile outlets would operate.

(5) No commitment may be made to a credit union regarding its proposal until the NCUA announces its selection. The DoD Component then shall notify the DC(MS) of NCUA approval and arrange for operations to begin.

(e) *Operating agreements.* An operating agreement, conforming to the guidelines set forth herein, shall be executed and maintained between each installation (community) commander and the on-base credit union.

(1) Each agreement shall be confined to basic relationships and mutual support activities and may not involve internal operations of the credit union. The installation commander shall agree to provide support as specified in this part. A sample format is contained in DoD 4000.19–R.[5]

(2) Each credit union operating on a DoD installation shall agree to:

(i) Comply with this part, DoD Directive 1000.11, and DoD Component regulations that implement these issuances.

(ii) Keep the installation commander advised of credit union operations.

(iii) Give the installation commander a copy of its monthly financial report and other local credit union publications.

(iv) Invite command representatives to attend its annual meetings and other appropriate functions.

(v) Indemnify and hold harmless the U.S. Government from (and against) any loss, expense, claim, or demand to which the Government may be subjected as a result of death, loss, destruction, or damage in conjunction with the use and occupancy of premises of the DoD Component in any way caused by agents or employees of the credit union.

(vi) Maintain physical security of cash and negotiable items in a manner consistent with the requirements of the credit union's fidelity insurer. A copy of these requirements shall be provided to the installation commander upon request.

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[5] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

(vii) Accommodate, whenever possible, local command requests for lecturers and printed materials for consumer credit education programs. Credit union personnel invited to participate in such programs shall not use the occasion to promote the exclusive services of a particular financial institution.

(viii) Provide that neither the DoD Component concerned nor its representatives shall be responsible for the financial operation of a credit union or for any expense, loss (including criminal losses), or claim for damages arising from credit union operations.

(ix) Operate in accordance with the guidelines at appendix to this part and comply with other provisions of this part, with DoD Directive 1000.11, and with their DoD Component implementing documents.

(f) *Liaison officers.* To maintain effective lines of communication, each commander of an installation with an on-base credit union shall appoint a credit union liaison officer as defined in enclosure 2 of DoD Directive 1000.11.

(1) The credit union liaison officer's name and duty telephone number shall be displayed in the lobby of each on-base credit union location.

(2) The liaison officer shall maintain regular contact with the credit union manager to confer, help resolve member complaints, and discuss quantitative and qualitative improvements in the services provided. However, neither liaison officers nor their superiors shall become involved in the internal operations of the credit union.

(3) No one on the board of directors serving the credit union in another official capacity may serve as the credit union or bank liaison officer.

(g) *Complaints processing*—(1) *Discrimination.* Any installation commander who suspects or receives complaints of discrimination by the on-base credit union shall try to resolve any such problem by negotiation. The installation commander should consider using the credit union's supervisory committee in resolving the complaint. Failing resolution, and in accordance with DoD Component implementing regulations, a written request for investigation shall be forwarded to the appropriate regulatory agency. The request must document the problem and local command efforts toward resolution. Information copies of all related correspondence shall be sent through channels to the DoD Component concerned for transmittal to the DC(MS).

(2) *Malpractice.* The installation commander shall report to the appropriate regulatory agency any evidence suggesting malpractice by credit union personnel, in accordance with DoD Component regulations.

(3) *Followup.* A DoD Component unsatisfied with action taken by the appropriate regulatory agency shall submit a full report with recommendations to the DC(MS). The DC(MS) shall pursue the matter with the appropriate regulatory agency and apprise the respective DoD Component of progress or resolution.

(h) *Logistic support*—(1) *Membership criterion.* (i) In accordance with section 124 of the Federal Credit Union Act, the provision of no-cost office space and other real property is limited to credit unions having a membership at least 95 percent of which is composed of individuals who are, or who were at the time of admission into the credit union, military personnel or Federal employees, retired military personnel in the credit union's field of membership, or members of their families. This percentage criterion applies to the total credit union membership, not just to members who use the on-base office.

(ii) Before renewal of each no-cost lease or license, the credit union shall provide a written certification, prepared on credit union letterhead and signed either by its president or general manager, that the credit union continues to meet the 95 percent criterion. A certification also is required whenever there is a merger, takeover, or significant change in a field of membership. This certification shall serve as justification and documentation for the continued allocation of free Government office space and other real property.

(2) *Criteria for use of space in Government-owned buildings.* (i) A credit union may be provided space on a DoD installation at one or more locations by no-cost permits or licenses for periods not

to exceed 5 years. The cumulative total of space authorized at one or more locations is subject to the limitations contained in MIL–HDBK–1190.

(ii) A credit union that fails to meet the 95 percent criterion shall be charged fair market rent for space provided. No credit union whose field of membership excludes any DoD personnel assigned on the installation shall receive free Government space. This latter limitation is waived in cases when an installation is served by more than one credit union.

(iii) All space assigned by the GSA, whether leased or in Federal office buildings, is reimbursable to the GSA at the current GSA rental rates under Pub. L. 92–313. Consequently, the GSA shall charge the benefiting DoD Component for any space assigned for credit union operations. Such space is then subject to the provisions of paragraphs (h)(i) and (ii) of this section.

(iv) When a credit union that meets the 95 percent criterion uses its own funds to expand, modify, or renovate Government-owned space, it may be provided a no-cost permit or license for a period not to exceed 25 years. Duration of the permit or license shall be commensurate with the extent of the improvements as determined by the DoD Component concerned. It shall be effective until the agreed date of expiration or until the credit union ceases to satisfy the 95 percent criterion. In this latter case, the no-cost permit shall be cancelled in favor of a lease immediately negotiated at fair market value under the provisions of paragraph (h)(2)(ii) of this section. If the credit union desires, this lease at fair market value may extend through the period identified in the original license, or 5 years, whichever is greater.

(v) Similarly, a credit union not meeting the 95 percent criterion that uses its own funds to expand, modify, or renovate Government-owned space, may be provided a lease at the fair market value for a period not to exceed 25 years. Duration of this lease shall be commensurate with the extent of the improvements as determined by the DoD Component concerned.

(3) *Utilities, base services, and equipment.*(i) When available, janitorial services, utilities (such as air-conditioning, heat, and light), fixtures, and maintenance shall be furnished at no cost to a credit union occupying free space in a Government building. The credit union shall pay for other services, such as telephone lines, long-distance toll calls, and space alterations. Should a credit union fail to meet the 95 percent membership criterion, any logistic support furnished shall be on a reimbursable basis.

(ii) When available from local stock, typewriters, adding machines, other office equipment, and office furniture may be leased to an on-base credit union at nominal cost; i.e., $1.00 per year, under authority of 10 U.S.C. 2667.

(iii) Central locator service shall be provided under conditions identified in enclosure 3 of DoD Directive 1000.11 when requested by Defense credit unions. This service shall be provided at no cost, in accordance with DoD Instruction 7230.7[6] (32 CFR part 288).

(iv) DoD Components shall provide debt processing assistance to Defense credit unions, in accordance with DoD Directive 1344.9[7] (32 CFR part 43a), as limited by the Privacy Act Guidelines set forth in enclosure 3 of DoD Directive 1000.11. Unless otherwise prohibited, Defense credit unions seeking restitution for delinquent loans or dishonored checks may request the assistance of local commanders, credit union liaison officers, or other officials.

(v) DoD Components shall prescribe clearance procedures for departing military personnel that provide the on-base credit union with adequate notice of such membership changes. Clearance involves reporting a change of address, reaffirming allotments or notes payable, and arranging for counseling, if appropriate. Clearance shall not be denied to facilitate the collection of debts or the resolution of disputes between the credit union and its departing members. Where administratively feasible, similar clearance procedures shall be used for departing DoD civilian employees.

(4) *Additional support in overseas areas.* In addition to the logistic support identified in paragraphs (h)(1) through (3) of this section, the following may be

[6] See footnote 1 to § 231a.1.

[7] See footnote 1 to § 231a.1.

made available to Defense credit unions operating at overseas installations:

(i) Military postal service may be authorized, in accordance with DoD Directive 4525.6[8]. For full service credit unions, as defined in DoD Directive 1000.11, use of the free intra-theater delivery system (IDS) is authorized for all routine mail sent and received between Army Post Offices (APOs) and Fleet Post Offices (FPOs) within a theater. To qualify, the credit union must certify to the appropriate postal official that all its full-time overseas offices provide ''full service'' or equivalence to full service, i.e., the availability of cash through ATMs at non-full service locations.

(ii) Access to DoD voice and data telecommunication systems as granted by the Defense Communication Agency on a case-by-case reimbursable basis.

(iii) Travel of U.S.-based credit union officials to their overseas offices shall be as set forth in DoD Directive 4000.6[9] Invitational travel orders that authorize travel at no expense to the U.S. Government may be issued by the local commander for official onsite visits.

(iv) For full service credit unions, as defined in DoD Directive 1000.11, logistical support shall include steel bars, grillwork, security doors, a vault or safe (or both), burglar alarm system, other security features normally used by credit unions, construction of teller cages, and other necessary modifications and alterations to existing buildings to facilitate cash operations, subject to the procedures and fiscal limits in DoD Directive 4270.24[10].

(i) *Construction of credit union buildings.* (1) Credit union proposals to finance construction of buildings on domestic DoD installations at their own expense must be processed in accordance with DoD Instruction 7700.18[11]. In support of each construction proposal, the credit union shall provide written assurance that:

(i) Management understands its potential loss of the building in the event of installation closure or other delimiting condition specified in paragraph (j)(1)(i) of this section;

(ii) The proposed building shall serve only the needs of the credit union and shall not be used to house other activities;.

(iii) Management accepts financial responsibility and shall reimburse the U.S. Government for all costs of construction and any maintenance, utilities, and other services furnished. Rates shall be established in accordance with DoD Instruction 7230.7 and confirmed by a written agreement between the DoD installation and the credit union.

(2) Credit unions that finance building construction at their own expense do not have to meet the space criteria contained in MIL–HDBK–1190.

(j) *Leases of Government land.* (1) Except as provided in paragraphs (h)(2)(iv) and (v) of this section, land required for approved building construction at credit union expense shall be made available by real estate lease at minimal charge; e.g., $1.00 per year.

(i) Leases shall include the provision that, in the event of national emergency or any other event cited in paragraph (l)(3) of this section, and at the option of the Government, structures and other improvements erected thereon shall be conveyed to the Government without reimbursement or removed and the land restored to its original condition.

(ii) Once determined, the rental charge under any lease granted at fair market rental is applicable for the term of the lease. However, an extension of any such existing lease may provide for nominal rental, e.g., $1.00 for the term of the lease extension.

(2) When a credit union participates in the construction of a complex, such as an installation shopping mall, it shall be provided a lease at nominal rental covering only underlying land for the specific space to be occupied by the credit union.

(3) If determined, in accordance with 10 U.S.C. 2667, to be in the Government's interest, an existing lease of land may be extended before to expiration of its term. Passage of title to facilities shall be deferred until all extensions have expired. Such extensions shall be for periods not to exceed 5

[8] See footnote 1 to § 231a.1.
[9] See footnote 1 to § 231a.1.
[10] lOSee footnote 1 to § 231a.1.
[11] See footnote 1 to § 231a.1.

years. The credit union shall continue to maintain the premises and pay for utilities and services furnished in accordance with DoD Instruction 7230.7.

(4) When, under the terms of a lease or extension, title to improvements passes to the Government, the credit union shall be given first choice to continue occupying those improvements under a facility lease.

(i) The lease shall require the credit union to maintain the premises and pay for utilities and services furnished in accordance with DoD Instruction 7230.7.

(ii) In addition, the lease for a credit union not qualifying under the 95 percent criterion cited in paragraph (h)(1) of this section, shall require that the credit union pay fair market rental for land underlying the improvements.

(k) *Automated teller machine (ATM) service.* (1) ATMs may be used to augment service provided by an on-base credit union.

(2) An on-base credit union that proposes to augment its service by installing one or more ATMs shall:

(i) Coordinate the ATM proposal through the installation commander under provisions of applicable DoD Component regulations.

(ii) Provide a statement that the cost of ATM installation and maintenance shall be borne by the credit union alone or in conjunction with other financial institutions.

(iii) Provide for access through debit and credit cards.

(3) Before service begins, regulatory agency approval, as necessary, must be obtained, and leases must be negotiated in accordance with this part.

(i) No lease is needed to site an ATM within an existing credit union office.

(ii) When a credit union requests up to 100 square feet of additional floor space in an existing structure and the credit union agrees to bear all expenses for modifying the structure, a lease providing for nominal rental, i.e., $1.00 for the term of the lease, shall be locally negotiated and approved. This lease provision also shall be offered if a credit union requests up to 250 square feet of land to construct, at its expense, a kiosk or other structure to house an ATM. In either case, the charge for any maintenance, utilities, and services shall be consistent with that applied to the on-base credit union office.

(iii) Leases pertaining to other situations shall be negotiated in accordance with paragraphs (h)(2) and (j) of this section.

(l) *Termination of credit union service*—(1) *Termination of operations by the credit union.* An on-base credit union planning to terminate its operations should notify the installation commander at least 90 days before the closing date. This notification should precede public announcement of the planned closure. When appropriate, the commander shall attempt to negotiate an agreement permitting the credit union to continue operations until the installation has made other arrangements. Immediately upon notification of a closing, the commander shall advise the DoD Component headquarters concerned. lf it is determined that continuation of credit union services is justified, action to establish another credit union shall comply with paragraph (c) or (d) of this section.

(2) *Termination for cause.* Installation commanders should ensure that on-base credit unions are providing services in the best interest of DoD personnel. If, after discussion with credit union officials, the installation commander determines that the operating policies of the credit union are inconsistent with this part, a recommendation for termination of logistic support and space arrangements may be made through DoD Component channels. A credit union shall be removed from the installation only with approval by the DoD Component headquarters, after coordination with the DC(MS) and the appropriate regulatory agency.

(3) *Termination in interest of national defense.* At the option of the Government, leases may be terminated in the event of national emergency or as a result of installation inactivation, closing, or other disposal action.

APPENDIX A TO PART 231a—OPERATIONS OF DEFENSE CREDIT UNIONS

A. Staffing

1. Full services shall be provided by on-base credit unions that are staffed by:

a. A loan officer authorized to act for the credit committee;

b. An individual authorized to sign checks; and

c. A qualified financial counselor available to serve members during operating hours.

2. Exceptions to subsection A.1., above, may be approved by the DoD Component concerned in the case of newly organized credit unions.

3. When an on-base credit union can support only minimum staffing, one of the other positions required in subsection A.1., above, may be subsumed under the counselor duties.

4. Remote service locations at the same installation may be staffed with one person alone, provided that a direct courier or message service links them to the credit union's on-base main office.

5. All staffing shall fully comply with the spirit and intent of DoD equal employment opportunity policies and programs, in accordance with DoD Directive 1440.1.

6. Neither active duty military personnel nor DoD civilian employees may be detailed to duty or employment with an on-base credit union. However, off-duty DoD personnel may be employed by a credit union if approved by the installation commander following a determination that such employment will not interfere with the full performance of the individual's official duties.

B. Counseling

Members of Defense credit unions shall have access to free counseling service. Members (particularly youthful or inexperienced personnel and young married families) shall receive help in budgeting and solving financial problems. Military members in junior enlisted grades who apply for loans shall receive special attention.

C. Lending

1. In accordance with accepted credit union practice, lending policies are expected to be as liberal as possible while remaining consistent with the best interests of the overall credit union membership. Credit unions must strive to provide the best possible service to all members.

2. Defense credit unions evidencing a policy of discrimination in their loan services, as defined in DoD Directive 1000.11, are in violation of this Instruction. In resolving complaints of discrimination, the installation commander shall follow procedures specified in paragraph E.7.a. of this DoD Instruction 1000.10.

3. Defense credit unions shall conform to the Standards of Fairness principles set forth in DoD Directive 1344.9 before executing loan or credit agreements. Should an on-base credit union branch refer a prospective borrower to an off-base office of the same credit union, it shall advise the latter office that the Department of Defense requires compliance with the Standards of Fairness.

D. Hours of Operation

On-base credit unions may conduct operations during normal duty hours provided they do not disrupt the performance of official duties. Credit unions should set operating hours that meet the needs of all concerned. ATMs may be used to provide expanded service and operating hours.

E. Share Insurance

Credit unions serving on DoD installations must maintain adequate share insurance. Any share insurance that is at least equal to that required by the NCUA for Federal credit unions may be obtained through the NCUA, a State-sponsored insurance program, or a private insurance plan to satisfy this requirement. A credit union not maintaining share insurance shall be suspended from on-base operations.

F. Allotments of Pay

DoD personnel may use their allotment of pay privileges as authorized by DoD Directives 7330.1 and 1418.4 to establish sound credit and savings practices through Defense credit unions.

1. The credit union shall credit member accounts not later than the value date of the allotment check or electronic funds transfer.

2. Under no circumstances shall the initiation of an allotment of pay become a prerequisite for loan approval or disbursement to the credit union member. Allotments voluntarily consigned to a credit union shall continue at the option of the member.

G. Advertising

1. Advertising of on-base credit union services shall be in accordance with policies set forth in DoD Directive 1344.7.

2. Advertising in official Armed Forces newspapers and periodicals (DoD lnstruction 5120.4 and DoD Directive 5120.43) is prohibited, with the exception of inserts in the ''Stars and Stripes'' overseas.

3. DoD Instruction 5120.20 prevents use of the Armed Forces Radio and Television Service to promote a specific credit union.

4. An on-base credit union may use the unofficial section of that installation's daily bulletins, provided space is available, to inform DoD personnel of financial services and announce membership meetings, seminars, consumer information programs, and other matters of broad general interest. Announcement of free financial counseling services is encouraged. Such media may not be used for competitive or comparative advertising of, for example, specific interest rates on savings or loans.

5. An on-base Defense credit union may use that installation's information bulletin boards for announcements of membership

meetings and promotional materials generally complementing the installation's financial counseling and thrift promotion programs. An on-base credit union may, with moderation, use that installation's message center services to distribute announcements for display on informational bulletin boards, provided this does not overburden the distribution system.

6. Installations, to include military exchange outlets or concessionaires, shall not permit the promotion of competing credit union relationships or the distribution of competitive literature from other credit unions at locations served by on-base credit unions. This does not prevent:

a. A credit union from using mail, telecommunications, or commercial advertising to serve its field of membership in another credit union's area, or

b. Exchange Services from distributing literature on affinity credit cards centrally acquired through competitive solicitation.

H. Overseas Operations

1. An overseas credit union branch or facility shall be limited to on-base operations. It shall confine its field of membership to individuals or organizations eligible by law or regulation to receive services and benefits from the installation, not prevented from receiving these services by intergovernmental agreement or host-country law.

2. Credit unions shall serve overseas only within a DoD-designated geographic franchise. However, any credit union may continue to serve its members stationed overseas by mail or telecommunications.

3. Any proposal for a new service must be coordinated with the appropriate Unified Commander and U.S. Chief of Diplomatic Mission or U.S. Embassy to ensure that it does not conflict with status of forces agreements or host-country law.

4. Cash Operations. a. Credit unions that operate full service branches, as defined in DoD Directive 1000.11, shall have U.S. currency and coin available for member transactions. In areas served by currency custody accounts, transactional U.S. currency and coins shall be made available from the servicing Military Banking Facility (MBF) with no direct or analysis charge to the credit union, provided settlement is made via a local MBF account or equivalent arrangements are made with the MBF.

b. Credit unions may purchase foreign currency from the servicing MBF at the bulk rate when used for internal vendor or payroll payments. The rate of exchange for sales to individuals must be no more favorable than that available from the MBF, in accordance with DoD Directive 7360.11.

c. Overseas credit unions operating in military payment certificate areas shall comply with DoD Directive 7360.5 and any DoD Component regulations implementing that issuance.

5. The operations of all federally-chartered Defense credit unions are subject to regulation by NCUA. Thus, NCUA Rules and Regulations, procedural forms, reports, and manuals directly apply to all Defense credit union branches and facilities operating overseas.

6. NCUA Rules and Regulations prohibit Federal credit unions from granting long-term (in excess of 15 years) first mortgage loans on any type of residence in any country outside the United States, its territories and possessions, or the Commonwealth of Puerto Rico.

7. Funds shall be deposited and invested in accordance with the authority –applicable to federal credit unions. Overseas Defense credit union branches and facilities shall deposit funds in accordance with instructions issued by the NCUA, giving full consideration to using the servicing MBFs.

8. Operation of overseas Defense credit union branches and facilities shall be reviewed by the NCUA during examination of the parent credit union or as the NCUA determines necessary.

I. Notification of Credit Unions

Each DoD Component shall ensure that every credit union with an office at its installations receives a copy of the document that implements this Instruction and DoD Directive 1000.11.

PART 234—CONDUCT ON THE PENTAGON RESERVATION

Sec.

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AUTHORITY: 10 U.S.C. 131 and 2674(c).

SOURCE: 63 FR 32619, June 15, 1998, unless otherwise noted.

§ 234.1 Definitions.

As used in this part.

Authorized person. An employee or agent of the Defense Protective Service, or any other Department of Defense employee or agent who has delegated authority to enforce the provisions of this part.

Operator. A person who operates, drives, controls, otherwise has charge of, or is in actual physical control of a mechanical mode of transportation or any other mechanical equipment.

Pentagon Reservation. Area of land and improvements thereon, located in Arlington, Virginia, on which the Pentagon Office Building, Federal Building Number 2, the Pentagon heating and sewage treatment plants, and other related facilities are located, including all roadways, walkways, waterways, and all areas designated for the parking of vehicles.

Permit. A written authorization to engage in uses or activities that are otherwise prohibited, restricted, or regulated.

Possession. Exercising direct physical control of dominion, with or without ownership, over property.

State law. The applicable and nonconflicting laws, statutes, regulations, ordinances, and codes of the state(s) and other political subdivision(s) within whose exterior boundaries the Pentagon Reservation or a portion thereof is located.

Traffic. Pedestrians, ridden or herded animals, vehicles, and other conveyances, either singly or together, while using any road, path, street, or other thoroughfare for the purposes of travel.

Vehicle. Any vehicle that is self-propelled or designed for self-propulsion, any motorized vehicle, and any vehicle drawn by or designed to be drawn by a motor vehicle, including any device in, upon, or by which any person or property is or can be transported or drawn upon a highway, hallway, or pathway; to include any device moved by human or animal power, whether required to be licensed in any state or otherwise.

Weapons. Any loaded or unloaded pistol, rifle, shotgun, or other device which is designed to, or may be readily converted to, expel a projectile by the ignition of a propellant, by compressed gas, or by spring power; and bow and arrow, crossbow, blowgun, spear gun, hand-thrown spear, slingshot, irritant gas device, explosive device, or any other implement designed to discharge missiles; any other weapon, device, instrument, material, or substance, animate or inanimate that is used for or is readily capable of, causing death or serious bodily injury, including any weapon the possession of which is prohibited under the laws of the state in which the Pentagon Reservation or portion thereof is located; except that such term does not include a pocket knife with a blade of less than 2½ inches in length.

§ 234.2 Applicability.

The provisions of this part apply to all areas, lands, and waters on or adjoining the Pentagon Reservation and under the jurisdiction of the United States, and to all persons entering in or on the property. They supplement those penal provisions of Title 18, United States Code, relating to crimes and criminal procedure and those provisions of State law that are federal criminal offenses by virtue of the Assimilative Crimes Act, 18 U.S.C. 13.

§ 234.3 Admission to property.

(a) Access to the Pentagon Reservation or facilities thereon shall be restricted in accordance with Department of Defense Administrative Instruction Number 30[1] in order to ensure the orderly and secure conduct of Department of Defense business. Admission to facilities or restricted areas shall be limited to employees and other persons with proper authorization.

(b) All persons entering or upon the Pentagon Reservation shall, when required and/or requested, display identification to authorized persons.

(c) All packages, briefcases, and other containers brought into, on, or being removed from facilities or restricted areas on the Pentagon Reservation are subject to inspection and search by authorized persons. Persons entering on facilities or restricted

[1] Forward written requests for copies of the document to the Directorate for Freedom of Information and Security Review, Room 2C757, 1400 Defense Pentagon, Washington, D.C. 20301–1400.

areas who refuse to permit an inspection and search will be denied entry.

(d) Any person or organization desiring to conduct activities anywhere on the Pentagon Reservation shall file an application for permit with the applicable Building Management Office. Such application shall be made on a form provided by the Department of Defense and shall be submitted in the manner specified by the Department of Defense. Violation of the conditions of a permit issued in accordance with this section is prohibited and may result in the loss of access to the Pentagon Reservation.

§234.4 Trespassing.

(a) Trespassing, entering, or remaining in or upon property not open to the public, except with the express invitation or consent of the person or persons having lawful control of the property, is prohibited. Failure to obey an order to leave under paragraph (b) of this section, or reentry upon property after being ordered to leave or not reenter under paragraph (b) of this section, is also prohibited.

(b) Any person who violates a Department of Defense rule or regulation may be ordered to leave the Pentagon Reservation by an authorized person. A violator's reentry may also be prohibited.

§234.5 Compliance with official signs.

Persons on the Pentagon Reservation shall at all times comply with official signs of a prohibitory, regulatory, or directory nature.

§234.6 Interfering with agency functions.

The following are prohibited:

(a) *Interference.* Threatening, resisting, intimidating, or intentionally interfering with a government employee or agent engaged in an official duty, or on account of the performance of an official duty.

(b) *Violation of a lawful order.* Violating the lawful order of a government employee or agent authorized to maintain order and control public access and movement during fire fighting operations, search and rescue operations, law enforcement actions, and emergency operations that involve a threat to public safety or government resources, or other activities where the control of public movement and activities is necessary to maintain order and public health or safety.

(c) *False information.* Knowingly giving a false or fictitious report or other false information:

(1) To an authorized person investigating an accident or violation of law or regulation, or

(2) On an application for a permit.

(d) *False report.* Knowingly giving a false report for the purpose of misleading a government employee or agent in the conduct of official duties, or making a false report that causes a response by the government to a fictitious event.

§234.7 Disorderly conduct.

A person commits disorderly conduct when, with intent to cause public alarm, nuisance, jeopardy, or violence, or knowingly or recklessly creating a risk thereof, such person commits any of the following prohibited acts:

(a) Engages in fighting or threatening, or in violent behavior.

(b) Uses language, an utterance, or gesture, or engages in a display or act that is obscene, physically threatening or menacing, or done in a manner that is likely to inflict injury or incite an immediate breach of the peace.

(c) Makes noise that is unreasonable, considering the nature and purpose of the actor's conduct, location, time of day or night, and other factors that would govern the conduct of a reasonably prudent person under the circumstances.

(d) Creates or maintains a hazardous or physically offensive condition.

(e) Impedes or threatens the security of persons or property, or which disrupts the performance of official duties by Department of Defense employees, or which obstructs the use of areas such as entrances, foyers, lobbies, corridors, concourses, offices, elevators, stairways, roadways, driveways, walkways, or parking lots.

§234.8 Preservation of property.

Willfully destroying or damaging private property is prohibited. The throwing of articles of any kind from or at buildings or persons, improper disposal

of rubbish, and open fires are also prohibited.

§ 234.9 Explosives.

(a) Using, possessing, storing, or transporting explosives, blasting agents or explosive materials is prohibited, except pursuant to the terms and conditions of a permit issued by the applicable Building Management Office. When permitted, the use, possession, storage and transportation shall be in accordance with applicable Federal and State law.

(b) Using or possessing fireworks or firecrackers is prohibited, except in designated areas under such conditions as may be established by the applicable Building Management Office or pursuant to the terms and conditions of a permit issued by the applicable Building Management Office, and in accordance with applicable State law.

(c) Violation of the conditions established by the applicable Building Management Office or of the terms and conditions of a permit issued in accordance with this section is prohibited and may result in the loss of access to the Pentagon Reservation.

§ 234.10 Weapons.

(a) Except as otherwise authorized under this section, the following are prohibited:

(1) Possessing a weapon.

(2) Carrying a weapon.

(3) Using a weapon.

(b) This section does not apply to any agency or Department of Defense component that has received prior written approval from the Defense Protective Service to carry, transport, or use a weapon in support of a security, law enforcement, or other lawful purpose while on the Pentagon Reservation.

§ 234.11 Alcoholic beverages and controlled substances.

(a) *Alcoholic beverages.* The consumption of alcoholic beverages or the possession of an open container of an alcoholic beverage within the Pentagon Reservation is prohibited unless authorized by the Director, Washington Headquarters Services, or his designee, or the Heads of the Military Departments, or their designees. Written notice of such authorizations shall be provided to the Defense Protective Service.

(b) *Controlled substances.* The following are prohibited:

(1) The delivery of a controlled substance, except when distribution is made by a licensed physician or pharmacist in accordance with applicable law. For the purposes of this paragraph, delivery means the actual, attempted, or constructive transfer of a controlled substance.

(2) The possession of a controlled substance, unless such substance was obtained by the possessor directly from, or pursuant to a valid prescription or order by, a licensed physician or pharmacist, or as otherwise allowed by Federal or State law.

(c) Presence on the Pentagon Reservation when under the influence of alcohol, a drug, a controlled substance, or any combination thereof, to a degree that may endanger oneself or another person, or damage property, is prohibited.

§ 234.12 Restriction on animals.

Animals, except guide dogs for persons with disabilities, shall not be brought upon the Pentagon Reservation for other than official purposes.

§ 234.13 Soliciting, vending, and debt collection.

Commercial or political soliciting, vending of all kinds, displaying or distributing commercial advertising, collecting private debts or soliciting alms upon the Pentagon Reservation is prohibited. This does not apply to:

(a) National or local drives for funds for welfare, health, or other purposes as authorized by 5 CFR parts 110 and 950, Solicitation of Federal Civilian and Uniformed Services Personnel for Contributions to Private Voluntary Organizations, issued by the U.S. Office of Personnel Management under Executive Order 12353, 3 CFR, 1982 Comp., p. 139, as amended.

(b) Personal notices posted on authorized bulletin boards, and in compliance with building rules governing the use of such authorized bulletin boards, advertising to sell or rent property of Pentagon Reservation employees or their immediate families.

(c) Solicitation of labor organization membership or dues authorized by the Department of Defense under the Civil Service Reform Act of 1978.

(d) Licensees, or their agents and employees, with respect to space licensed for their use.

(e) Solicitations conducted by organizations composed of civilian employees of the Department of Defense or members of the uniformed services among their own members for organizational support or for the benefit of welfare funds for their members, after compliance with the requirements of §234.4(d).

§234.14 Posting of materials.

Posting or affixing materials, such as pamphlets, handbills, or fliers on the Pentagon Reservation is prohibited except as provided by §234.13(b) or when conducted as part of activities approved by the applicable Building Management Office under §234.4(d).

§234.15 Use of visual recording devices.

The use of cameras or other visual recording devices in restricted areas or in internal offices must be approved by the Department of Defense component occupying the space. Photographs for advertising or commercial purposes may only be taken with the permission of the Office of the Assistant to the Secretary of Defense for Public Affairs.

§234.16 Gambling.

Gambling in any form, or the operation of gambling devices, is prohibited. This prohibition shall not apply to the vending or exchange of chances by licensed blind operators of vending facilities for any lottery set forth in a State law and authorized by the provisions of the Randolph-Sheppard Act (20 U.S.C. 107, *et seq.*).

§234.17 Vehicles and traffic safety.

(a) *In general.* Unless specifically addressed by regulations in this part, traffic and the use of vehicles within the Pentagon Reservation are governed by State law. Violating a provision of State law is prohibited.

(b) *Open container of an alcoholic beverage.* (1) Each person within a vehicle is responsible for complying with the provisions of this section that pertain to carrying an open container. The operator of a vehicle is the person responsible for complying with the provisions of this section that pertain to the storage of an open container.

(2) Carrying or storing a bottle, can, or other receptacle containing an alcoholic beverage that is open or has been opened, or whose seal is broken, or the contents of which have been partially removed, within a vehicle on the Pentagon Reservation is prohibited.

(3) This section does not apply to:

(i) An open container stored in the trunk of a vehicle or, if a vehicle is not equipped with a trunk, to an open container stored in some other portion of the vehicle designed for the storage of luggage and not normally occupied by or readily accessible to the operator or passengers; or

(ii) An open container stored in the living quarters of a motor home or camper;

(4) For the purpose of paragraph (a)(3)(i) of this section, a utility compartment or glove compartment is deemed to be readily accessible to the operator and passengers of a vehicle.

(c) *Operating under the influence of alcohol, drugs, or controlled substances.* (1) Operating or being in actual physical control of a vehicle is prohibited while:

(i) Under the influence of alcohol, a drug or drugs, a controlled substance or controlled substances, or any combination thereof, to a degree that renders the operator incapable of safe operation; or

(ii) The alcohol concentration in the operator's blood or breath is 0.08 grams of more of alcohol per 100 milliliters of blood or 0.08 grams or more of alcohol per 210 liters of breath. Provided, however, that if State law that applies to operating a vehicle while under the influence of alcohol establishes more restrictive limits of alcohol concentration in the operator's blood or breath, those limits supersede the limits specified in this paragraph.

(2) The provisions of paragraph (b)(1) of this section shall also apply to an operator who is or has been legally entitled to use alcohol or another drug.

(3) *Tests.* (i) At the request or direction of an authorized person who has

probable cause to believe that an operator of a vehicle within the Pentagon Reservation has violated a provision of paragraph (b)(1) of this section, the operator shall submit to one or more tests of the blood, breath, saliva, or urine for the purpose of determining blood alcohol, drug, and controlled substance content.

(ii) Refusal by an operator to submit a test is prohibited and may result in detention and citation by an authorized person. Proof of refusal may be admissible in any related judicial proceeding.

(iii) Any test or tests for the presence of alcohol, drugs, and controlled substances shall be determined by and administered at the direction of an authorized person.

(iv) Any test shall be conducted by using accepted scientific methods and equipment of proven accuracy and reliability operated by personnel certified in its use.

(4) *Presumptive levels.* (i) The results of chemical or other quantitative tests are intended to supplement the elements of probable cause used as the basis for the arrest of an operator charged with a violation of this section. If the alcohol concentration in the operator's blood or breath at the time of the testing is less than the alcohol concentration specified in paragraph (b)(1)(ii) of this section, this fact does not give rise to any presumption that the operator is or is not under the influence of alcohol.

(ii) The provisions of paragraph (b)(4)(i) of this section are not intended to limit the introduction of any other competent evidence bearing upon the question of whether the operator, at the time of the alleged violation, was under the influence of alcohol, a drug or drugs, or a controlled substance or controlled substances, or any combination thereof.

§ 234.18 Enforcement of parking regulations.

Parking regulations for the Pentagon Reservation shall be enforced in accordance with Department of Defense Administrative Instruction Number 88[2] and State law; violating such provisions is prohibited. A vehicle parked in any location without authorization, or parked contrary to the directions of posted signs or markings, shall be subject to removal at the owner's risk and expense, in addition to any penalties imposed. The Department of Defense assumes no responsibility for the payment of any fees or costs related to such removal which may be charged to the owner of the vehicle by the towing organization. This section may be supplemented from time to time with the approval of the Director, Washington Headquarters Services, or his designee, by the issuance and posting of such parking directives as may be required, and when so issued and posted such directive shall have the same force and effect as if made a part hereof.

[2] See footnote 1 to § 234.3(a).

§ 234.19 Penalties and effect on other laws.

(a) Whoever shall be found guilty of willfully violating any rule or regulation enumerated in this part is subject to the penalties imposed by Federal law for the commission of a Class B misdemeanor offense.

(b) Whoever violates any rule or regulation enumerated in this part is liable to the United States for a civil penalty of not more than $1,000.

(c) Nothing in this part shall be construed to abrogate any other Federal laws.

PART 237a—PUBLIC AFFAIRS LIAISON WITH INDUSTRY

Sec.
237a.1 Purpose.
237a.2 Applicability.
237a.3 Objective and policy.
237a.4 Procedures.

AUTHORITY: 5 U.S.C. 301.

SOURCE: 35 FR 10889, July 7, 1970, unless otherwise noted.

§ 237a.1 Purpose.

This part establishes (a) guidance for preparation of the Defense Industry Bulletin, and (b) includes guidance and procedures governing Department of Defense cooperation with industry on (1) public affairs matters in general, (2) industry-sponsored events, and (3) advertising defense themes and products.

§237a.2 Applicability.

The provisions of this part apply to all components of the DoD.

§237a.3 Objective and policy.

(a) It is important that American industry—particularly defense contractors—understand the plans, programs, and activities of the DoD. Such understanding can be achieved by (1) wide dissemination of information to the business community, consistent with national security, and (2) cooperation with industry in public relations activities which are not contrary to the national or DoD interests.

(b) As outlined in part 237 of this subchapter, DoD components shall cooperate with industry at local and regional levels. However, they will notify the Assistant Secretary of Defense (Public Affairs) (ASD(PA)) promptly of any local or regional activity which has the potential of being escalated, or which has been escalated by unforeseen circumstances, to national or international interest.

§237a.4 Procedures.

(a) *Defense Industry Bulletin.* The bulletin, authorized by part 237 of this subchapter to apprise defense contractors, trade associations and other business organizations of DoD policies, plans, programs, and procedures which have an impact on business or industry, achieve widespread awareness and understanding of DoD policies, plans, programs, and procedures governing research, development and production, and the procurement of goods and services, and serve as a guide to and stimulate ideas throughout the industrial community concerning solutions of problems arising in fulfillment of DoD requirements, will be published and distributed by the Directorate for Community Relations, OASD(PA).

(1) DoD components may submit any of the items listed below to the Editor, Defense Industry Bulletin, OASD(PA), by the 20th day of each month. If no significant information exists, a negative report will be submitted.

(i) Articles, preferably by-lined, with supporting photographs or illustrations. (Suggested length is 2,000–2,500 words, but may be shorter or longer as coverage of subject requires.)

(ii) Material covering subjects that are timely and of particular interest to those organizations oriented toward defense contracting, including, but not necessarily limited to:

(*a*) Research and development;

(*b*) Procurement;

(*c*) Contract management;

(*d*) Small business opportunity;

(*e*) DoD policies affecting industry;

(*f*) Management improvement programs, such as Zero Defects;

(*g*) Programs successfully conducted by industry and the DoD working together;

(*h*) Explanations of new DoD issuances affecting industry; and

(*i*) Major organizational changes.

(iii) Key personnel appointment and reassignment announcements, for the ''About People'' section.

(iv) New or revised official directives, instructions, regulations, and other publications, for the ''Bibliography'' section.

(v) Scheduled technical meetings and symposia sponsored by DoD organizations, projected at least forty-five (45) days, for the ''Meeting and Symposia'' section.

(vi) Announcements of meetings, conferences, briefings, demonstrations, exercises, etc., projected at least forty-five (45) days, for the ''Calendar of Events.''

(2) Each DoD component will designate one action officer and one alternate to assist the Directorate for Community Relations, OASD(PA), in carrying out responsibilities defined in paragraph (a)(1) of this section.

(b) *Participation in special events*— (1) *Industry-sponsored events.* (i) DoD components are encouraged to cooperate with and assist industry in activities and events beneficial to the Government, provided such cooperation and assistance is not in conflict with the provisions of part 40 of this chapter which authorizes participation in:

(*a*) Luncheons, dinners and similar gatherings when the host is an industrial, technical, or professional association, not an individual defense contractor or other commercial firm;

(*b*) Public ceremonies of mutual interest to industry, local committees, and the DoD (examples—ship launchings, rollouts, and first flights);

(*c*) Industrial programs which are in support of Government policy (example—international exhibits which offer the opportunity to promote U.S. scientific and technical leadership); and

(*d*) Civic and community projects in which industry relationship is remote from the purpose and tenor of the event (example—Armed Forces Day event sponsored by an individual firm).

(ii) Participation in events which benefit a particular firm (examples—open houses and ceremonies dedicating new facilities) will be limited, normally, to speaker participation (see part 238 of this subchapter).

(2) *DoD-sponsored events.* Generally, DoD public affairs programs will be performed within authorized resources. Contractor participation in DoD-sponsored events involving a firm's product or service may be authorized, provided such participation is in the Government's interest.

(3) *Jointly sponsored events.* Joint DoD-industry sponsorship may be desirable in certain instances (examples—seminars, conferences, and symposia). Industry assistance is normally provided by a trade, technical, or professional association. Requirements for clearance of DoD official information prepared for disclosure (see part 159 of this chapter and DoD Directive 5230.9, ''Clearance of Department of Defense Public Information'' [1]) will be adhered to when applicable.

(4) *General.* Participation in industrial events of national and international interest must be approved by the ASD(PA) in advance. Detailed proposals, including cost estimates, will be submitted to the ASD(PA) through the headquarters of the DoD component concerned. Requests for approval involving industry participation in either DoD or DoD-industry sponsored events will specify the nature and extent of industry-furnished assistance, if any.

(c) *Use of DoD insignia, themes, and products in advertising*—(1) *Insignia.* Use of insignia is governed by part 237 of this subchapter.

(2) *Themes and products.* Requests for use of DoD themes and products in commercial advertising and other promotions will be evaluated in terms of their benefit to the DoD. A determination as to whether cooperation should be extended will be made by the ASD (PA) (except in the case of DoD component-controlled insignia), in accordance with the provisions of part 237 of this subchapter. The DoD will bear only those advertising costs authorized by section XV of the Armed Services procurement regulation in part 15 of this chapter.

(3) *Filmed material.* Participation in the production of motion pictures and TV programs, including filmed commercials, will be governed by provisions of DoD Instruction 5410.15, [1] ''Delineation of DoD Audio-Visual Public Affairs Responsibilities and Policies,'' and DoD Instruction 5410.16,[1] ''Procedures for DoD Assistance on Production of Non-Government Motion Pictures and Television Programs.''

(d) *Use of contractor product identification.* DoD components may identify contractors in their information activities whenever the major responsibility for a product (example—an aircraft) can be clearly and fairly credited to an identifiable contractor. In these instances, DoD information releases will include both the manufacturer's name and the DoD component's designation of the product.

(e) *Solicitation.* (1) DoD representatives will not solicit, or authorize others to solicit, from contractors for advertising, contributions, donations, subscriptions, or other emoluments. Where there is a legitimate need for industry promotion items, such as scale models—for example in recruiting programs—the headquarters of the DoD Component concerned may authorize procurement of such items as required.

(2) Defense contractors wanting to distribute items through official DoD channels should be advised to contact the headquarters of the DoD component concerned for guidance.

(f) *Briefings.* (1) Advanced planning briefings for industry are governed by DoD Instruction 5230.14, [1] ''Advanced Planning Briefings for Industry.''

[1] Filed as part of the original. Copies available from U.S. Naval Publications and Forms Center, 5801 Tabor Ave., Philadelphia, Pa. 19120, Attn: Code 300.

(2) Classified meetings are governed by DoD Directive 5200.12,[1] ''Security Measures, Approval and Sponsorship for Scientific and Technical Meetings Involving Disclosure of Classified Information.''

(g) *Visits to contractor facilities.* (1) Visits to contractor facilities will be governed by the provisions of DoD Manual 5220.22–M,[2] ''Industrial Security Manual for Safeguarding Classified Information (Attachment to DD Form 441).''

(2) When DoD Components desire to sponsor such visits by nationally known press representatives, approval will be obtained from both the contractor and the ASD(PA).

PART 238—ARMED FORCES COMMUNITY RELATIONS

Sec.

238.1 Reissuance and purpose.
238.2 Applicability and scope.
238.3 Definitions.
238.4 Policy.
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ENCLOSURE 1—FORMAT REQUEST FOR AERIAL DEMONSTRATION
ENCLOSURE 2—REQUEST FORMAT—ARMED FORCES PARTICIPATION IN PUBLIC EVENTS
ENCLOSURE 3—FACT SHEET
ENCLOSURE 4—SPEAKER REQUEST FORMAT
ENCLOSURE 5—PRESIDENT'S APPROVED WREATH LIST

AUTHORITY: 5 U.S.C. 22.

[1] See footnote 1 on previous page.

[2] Available from Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402—$3.05.

SOURCE: 45 FR 21229, Apr. 1, 1980, unless otherwise noted.

§238.1 Reissuance and purpose.

This part is reissued to supplement part 237 of this title and to provide procedural guidance for the planning and conduct of community relations activities of the Armed Forces.

§238.2 Applicability and scope.

(a) The provisions of this part apply to the Office of the Secretary of Defense, the Military Departments (including their National Guard and Reserve Components), the Organization of the Joint Chiefs of Staff, the Unified and Specified Commands, and the Defense Agencies (hereafter referred to as ''DoD Components''). (As used in this Instruction, the term ''Military Services'' refers to the Army, Navy, Air Force, and Marine Corps.)

(b) Its provisions encompass all DoD community relations programs regardless of name, program, or sponsorship.

§238.3 Definitions.

(a) As used herein the following definitions apply:

(1) *Military installation.* Any installation owned or operated by the Department of Defense or by a DoD Component such as a base, station, post, reservation, camp, depot, fort, terminal, facility, ship, school, and college.

(2) *Elsewhere.* Any location, other than a military installation, at or on which a community relations program may be conducted.

(3) *Official Federal Government functions.* Those activities in which officials of the Federal Government are involved in the performance of their official duties.

(4) *Official DoD functions.* Those activities (including Defense Committees, Joint Civilian Orientation Conference (JCOC), and activities held on military installations, or elsewhere when the appropriate commander certifies that suitable facilities are not available on a military installation) which are sponsored by a Military Service, have as their principal purpose the promotion of esprit de corps, and are conducted primarily for active duty personnel, dependents, and guests.

(5) *Official civic functions.* Those activities in which officials of State, county, or municipal governments are involved in the performance of their official duties (for example, inaugurals, dedications of public buildings and projects, the convening of legislative bodies, and ceremonies for officially invited Government visitors).

(b) Other terms used in this part are defined in § 237.8 of this title, and §§ 238.10 and 238.12 of this part.

§ 238.4 Policy.

(a) The policy of the Secretary of Defense governing Armed Forces Community Relations programs is based on public law and executive orders and is set forth in part 237 of this title. Amplification of basic policy and supplemental guidelines for the planning and conduct of specific categories and types of community relations programs are contained in this part.

(b) The Assistant Secretary of Defense (Public Affairs) (ASD(PA)) been designated as the principal staff assistant to act for and in behalf of the Secretary of Defense in granting any exceptions to basic public affairs policy.

(1) Requests for exceptions to this policy shall be submitted to the ASD(PA) via command channels.

(2) Such requests shall contain, as a minimum:

(i) A description of the community relations program contemplated,

(ii) A justification for approval of the exception, and

(iii) Appropriate recommendations.

(3) Exceptions shall be granted on a case-by-case basis.

(c) Policy guidance concerning public affairs relations with business and non-Government organizations representing business is contained in part 237a of this title.

(d) Policy governing the use of military carriers for public affairs purposes is contained in DoD Instruction 5435.2,[1] ''Delegation of Authority to Approve Travel In and Use of Military Carriers for Public Affairs Purposes,'' April 25, 1975.

[1] Copies may be obtained, if needed, from U.S. Naval Publications and Forms Center, 5801 Tabor Ave., Philadelphia, Pa., 19120, Attn: Code 301.

§ 238.5 Procedures.

(a) Within basic legal and policy limitations, commanders at all levels who plan or conduct a community relations program shall consider initially:

(1) The interests of the Department of Defense and the community as a whole.

(2) Pertinent operational requirements.

(3) The availability of adequate and appropriate resources.

(b) When a proposed community relations program exceeds local support capability or the scope of local public affairs responsibility, it shall be referred, via command channels, to the appropriate higher echelon. The proposal shall contain, as a minimum:

(1) A description of the program;

(2) A list of support requirements;

(3) A description of the anticipated scope of the program;

(4) Comments concerning expected community reactions; and

(5) Appropriate recommendations.

(c) All DoD Components shall use approved DoD request formats, appended as various enclosures to this part, in processing requests by civilian sponsors for Armed Forces support of community relations programs. These formats, which may be reproduced locally, provide sufficient information to permit the approving authority to:

(1) Evaluate the appropriate degree of Armed Forces support, and

(2) Determine compliance with the requirements of this part.

(d) To ensure that a proposed community relations program conforms to the limitations imposed by public law and by policy contained in part 237 of this title, the following aspects of the program shall be evaluated (using the criteria set forth in § 238.6.)

(1) The objectives and purposes of the program (''*program criteria*'').

(2) The interests and objectives of the sponsor or sponsoring group (''*sponsor criteria*'').

(3) The nature or character of the location of the program (''*site criteria*'').

(4) The full particulars of DoD support *(''support criteria'').*

§ 238.6 Guidelines.

(a) The Department of Defense authorizes and encourages support of

community relations programs when at least one of the conditions listed in each of the following criteria categories (program, sponsor, site, and support) is met:

(1) *Program criteria.* When the program is:

(i) Specifically authorized or directed by public law, executive order, or the Secretary of Defense.

(ii) An official Federal Government, military, or civil ceremony or function.

(iii) An event or occasion of general interest or benefit to a local, State, regional, or national community, and is available to the community.

(iv) In support of authorized recruiting or personnel procurement programs.

(v) In support of:

(A) United, federated or joint fund-raising campaigns authorized by DoD Directive 5035.1,[1] ''Fund-Raising Within the Department of Defense, April 7, 1978;

(B) Such fund-raising appeals as the President or the Director of the Office of Personnel Management may authorize; or

(C) The Military Service Aid societies.

NOTE: DoD support for local fund-raising programs, other than those described above, is authorized only when the fund-raising program is local in nature, is of community-wide interest and benefit, and has the support of endorsement of the local united, federated, or joint campaign officials; or when, in the judgment of the local commander, support of a purely local charitable drive is part of the responsible role of the military installation in the local community. Volunteer fire department, rescue unit, or youth activity fund drives are examples of such local programs.

(vi) In support of fund-raising campaigns solely for the benefit of U.S. teams competing in the Pan American Games or the Olympic Games (see DoD Directive 1330.4,[1] ''Participation in Interservice National and International Sports Activities,'' November 14, 1968).

(vii) Of a patriotic nature; or with the addition of military support, designed to include a patriotic acknowledgement; or the celebration of a Government-recognized local, State, regional, or national holiday.

(2) *Sponsor criteria.* The sponsor or sponsoring organization does not specifically exclude any person from its membership for reasons of race, creed, color, or national origin. DoD support is authorized for programs sponsored by organizations whose qualification for membership is based on sex or national origin only when the primary benefit and interest are to the community rather than to the organization. DoD support is authorized when the sponsor is:

(i) A local, State, or Federal Government.

(ii) A veteran's, Military Service-related, patriotic, or historical organization or auxiliary.

(iii) An organization (civic, service, youth, professional, educational, business, trade, or labor) whose interests are in support of the community.

(iv) A commercial enterprise *only* when:

(A) DoD support is patriotic in nature, is incidental to the program, and does not benefit selectively nor appear to benefit selectively the commercial activity of the sponsor;

(B) The sponsor's role is clearly civic in nature; and

(C) The commercial interest is subordinate to the community interest, and benefit in the program.

(v) A public school, public college, or public university.

NOTE: Support is authorized for programs sponsored by nonpublic schools, colleges, or universities only when the program is (A) of a community-wide nature of common interest and benefit, is open to all, and is broadly publicized; or (B) when the program is clearly patriotic or educational in nature or is in support or recruiting programs.

(3) *Site criteria.* Admission, seating, and all other accommodations and site facilities connected with any public programs are available to all without regard to race, creed, color, national origin, or sex, and the location of the program is:

(i) A military installation.

(ii) A local, State, or Federal Government property, facility or building.

(iii) A bona fide community center.

(iv) A private or commercial building *only* when DoD support is patriotic in

[1] See footnote 1 to § 238.4(d).

nature, is incidental to the program, and does not benefit selectively nor appear to benefit selectively the owner of the building or the agent.

(v) A religious building or facility *only* when the program is of a community-wide, nonsectarian nature of common interest and benefit and is broadly publicized.

(vi) A shopping mall or center *only* when the program is a recruiting program, and:

(A) The support is directly related to the recruiting activities taking place, and the type and amount of support are commensurate with the scope and nature of the recruiting activity.

(B) Community relations support is not advertised, promoted, or presented as an attraction for the center or mall (or for special business activities such as promotional sales).

(C) The support activities are in no way related, nor do they appear to be related, to a particular business or particular group of business establishments within the mall or center.

NOTE: Because of the commercial nature of shopping malls and centers, special care must be exercised to avoid the selective benefit of specific business interests. Where two or more such centers or malls are part of a community, support of recruiting activities must be administered in an even-handed manner, with fairness and extreme care.

(4) *Support criteria.* The Department of Defense authorizes support which:

(i) Can be reasonably expected to bring credit to the individuals involved and to the Armed Forces and is at no additional cost to the Government; or

(ii) Is specifically authorized to be at Government expense by this part (§ 238.7), by public law, by executive order, or by the Secretary of Defense.

(b) The Department of Defense does *not* authorize support of community relations programs when any one of the conditions listed in one of the following criteria categories exists.

(1) *Program criteria.* When the program is:

(i) Intended or appears to endorse, benefit selectively, or favor any private individual, group corporation, religion, sect, ideological movement, political organization candidate, or commercial venture.

(ii) For the purpose of solicitation of votes in a political election.

(iii) A commercially oriented program, such as a Christmas parade, a motion picture premiere, a fashion show, a beauty pageant, or any other event or activity conducted to stimulate sales or increase the flow of business traffic.

(iv) For the purpose of raising funds for causes other than those specified in paragraph (a)(1)(v) of this section.

(v) One in which public confrontation is planned or likely or where the real or apparent purpose is to stage controversy.

(2) *Sponsor criteria.* The sponsor or sponsoring organizations specifically excludes any person from its membership for reasons of race, creed, color, or national origin.

(i) A commercial enterprise (except as specified in paragraph (a)(2)(iv) of this section).

(ii) A religious group (except for a school, as specified in paragraph (a)(2)(v) of this section, sect, or partisan political organization, or ideological movement.

(iii) An organization whose constitution, bylaws, membership qualifications, or ritual is privately held and not available to the general public (e.g., many fraternal organizations).

(3) *Site criteria.* When:

(i) Admission, seating, and any other accommodation or facility connected with a public program are barred to any person because of race, creed, color, national origin, or sex.

(ii) The location of the program is a private, commercial, or religious facility, a shopping mall or center, or a nonpublic school, college, or university (except as specified in paragraph (a)(3) of this section).

(4) *Support criteria.* When DoD support:

(i) Has been determined, by a finding of fact, to interfere with the customary or regular employment of non-DoD persons in their art, trade, or profession.

(ii) Is or could be considered to be the primary or major attraction for which admission is charged, except for:

(A) Athletic events of the Military Service academies;

(B) Performances by aerial demonstration teams;

(C) Concerts by the U.S. Army Band, the U.S. Army Field Band, the U.S. Navy Band, the U.S. Marine Band and the U.S. Air Force Band while on authorized tours.

(iii) Consists wholly or in part of resources, facilities, or services which are otherwise reasonably available from commercial sources.

(iv) Involves the use of military personnel (including members of Guard/Reserve components and ROTC in uniform) outside military reservations as ushers, guards, parking lot attendants, runners, messengers, baggage handlers, for crowd control, or in any other inappropriate capacity.

(v) Interferes with military needs or operational requirements.

§238.7 Funding.

(a) The cost of DoD support of community relations programs authorized in §238.7(b) shall be the responsibility of the DoD Component(s) involved. Funding requirements for these purposes shall be kept to the minimum necessary to accomplish DoD objectives.

(b) DoD Components shall absorb the costs of supporting those community relations programs that are specifically authorized by public law, executive order, or the Secretary of Defense, and the following types of programs when they are in the primary interest of the Department of Defense:

(1) Official Federal Government functions.

(2) DoD or civic-sponsored observances of United States or host country national holidays.

(3) Official civil ceremonies and functions.

(4) Speaking engagements.

(5) Events considered to be in the national interest or in the professional, scientific, or technical interests of a DoD Component or element, when approved by the Assistant Secretary of Defense (Public Affairs) or the Commander of an overseas Unified or Specified Command, as appropriate.

(6) Direct support of recruiting and personnel procurement activity, when the cost of such support is charged to recruiting or personnel procurement programs funds.

(c) DoD support of community relations programs that are not authorized in paragraph (b) of this section shall be at no additional cost to the Government.

(d) To adhere to congressional funding limitations, due care must be exercised in the identification of costs of community relations programs. Programming, budgeting, and financing policies are set forth in part 237 of this title. In general, for purposes of the limitations, the incremental cost of any resource incurred solely for community relations purposes must be identified as a public affairs cost; and costs incurred by a DoD Component in connection with its support of a community relations program, which would not be incurred but for their public affairs aspects, must be identified as public affairs costs. Effective management of a community relations program may require full costing (total direct and indirect costs) of the use of resources when their use benefits or is caused by the program. This information shall be provided to management officials and the OASD(PA) on an ''as required'' basis.

(e) When routine training flights are used as opportune airlift to transport military personnel, no reimbursement to the providing Component is required. When Military Airlift Command industrially funded transportation facilities are used, the industrial fund must be reimbursed, in accordance with DoD Directive 7410.4,[1]''Regulations Governing Industrial Fund Operations,'' September 25, 1972.

§238.8 Responsibilities and authorities.

(a) Requests for DoD support of community relations programs shall, except as otherwise specified in this Instruction, be evaluated and approved or disapproved at the lowest practicable echelon or command (see §238.5(a)(2)).

(b) The *Assistant Secretary of Defense (Public Affairs)* is the sole authority for granting any exception to the policy contained in part 237 of this title and in this part.

[1] See footnote 1 to §238.4(d).

(1) The ASD(PA) is the sole authority for approving all DoD support of community relations programs in the National Capital area (see § 238.11 and § 238.13), except speaking engagements (see § 238.12), and for DoD support of the following programs outside that area:

(2) National and international programs, including national conventions and meetings (except those programs taking place in overseas areas which are solely of internal concern to a Unified or Specified Commander); see §§ 238.11, 13, 14, 15, 16, and 18.

(3) Programs outside the 50 United States which are not within a Unified or Specified Command's area of responsibility.

(4) Programs where the officially designated flight and parachute demonstration teams (Golden Knights, Blue Angels, Thunderbirds) perform, in accordance with § 238.10.

(5) Programs held on a military installation involving an aerial review of more than one Military Service, and programs involving any aerial review, flyover, or aircraft demonstration held elsewhere within the United States or as outlined in paragraph (b)(2) of this section (except for flyovers for civic-sponsored observances of and official ceremonies for Armed Forces Day, Memorial Day, Independence Day and Veterans Day, authorized by the Secretaries of the Military Departments), in accordance with § 238.10.

(6) Programs that require acting as the sole point of official contact within the Department of Defense for liaison between the Department of Defense and the headquarters and Washington offices of national organizations and other national non-Government groups, except for those organizations representing a specific interest of a single Military Service, e.g., Association of the U.S. Army, Air Force Association, Navy League, Marine Corps League, etc. (see paragraph (d) of this section).

(7) Programs that provide information to national organizations, including business and industry groups, and call for approving support of the activities of such organizations and groups, in accordance with § 238.13. (See part 237a of this title.)

(c) The *Unified and Specified Commanders,* except as specified in § 238.8(b), have been and are designated to act for and in behalf of the Secretary of Defense in implementing the provisions of part 237 of this title and this part in their overseas area of responsibility (excluding the States of Hawaii and Alaska).

(d) The *Secretaries of the Military Departments,* except as specified in paragraph (b) of this section, are authorized to approve requests for DoD support of community relations programs, and to:

(1) Approve the unofficial use of the official insignia of their Departments, except where such use is prohibited by law.

(2) Conduct direct communication and liaison with organizations representing specific interests of their respective Military Departments. Military Departments which maintain liaison with such organizations are required to carry on their activities in accordance with the letter and the spirit of policies set forth in parts 237, 91, and 40 of this title, (respectively). ASD(PA) shall be responsible for monitoring the liaison activities between Military Departments and these organizations.

(3) Delegate to local major unit commanders authority to support local programs jointly planned and conducted by border communities in California, Arizona, New Mexico, and Texas, with their counterparts in Mexico.

(i) Local programs are defined as those which center on and are of primary interest in a U.S. or Mexican border community.

(ii) Favorable determinations shall be based on the significance of the program, defense interest, advance consultation, and approval of appropriate U.S. consular officials, coordination with other Federal agencies, as required, and the concurrence of municipal authorities involved.

(e) The *Head of the Interservice Sports Committee* shall act for the ASD(PA) in all matters pertaining to interservice competition and joint military Service participation in national and international sports. See § 238.17.

(f) The *Assistant Secretary of Defense (International Security Affairs)*

(ASD(ISA)) shall coordinate DoD support of foreign disaster relief operations, in accordance with §238.19.

(g) The *Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics)* shall be responsible for certain miscellaneous public affairs-related activities, as specified in §238.19.

§238.9 Information requirements.

(a) Records will be maintained and required reports furnished in accordance with §237.6 of this title.

(b) The additional reporting requirement specified in §238.11 has been assigned Report Control Symbol DDPA(M) 979.

§238.10 Armed Forces aerial demonstrations.

(a) *Purpose.* (1) This part relates to Armed Forces aerial demonstrations in support of community relations programs, including flight team demonstrations, parachute team demonstrations, flyovers, aerial reviews, static displays and other aerial activities.

(2) Attached to this enclosure is the approved DoD ''Request for Aerial Demonstration'' format.

(b) *Definitions.* As used herein, the following definitions apply:

(1) *Aerial event.* Any occasion such as an air show, festival, official Federal Government function, or official military and civic functions held on a military installation or elsewhere where an Armed Forces aerial demonstration is either a primary or incidental attraction.

(2) *Aerial demonstration.* The use or display of DoD military aircraft or personnel in any aerial event, including the following:

(i) *Flight team demonstration.* An exhibition of precision aerial maneuvers and techniques flown by an officially designated Service flight demonstration team, such as the U.S. Air Force Thunderbirds and the U.S. Navy Blue Angels.

(ii) *Parachute team demonstration.* A demonstration of free-fall and precision-landing techniques by the officially designated unit, the U.S. Army Golden Knights. Other military parachute teams, including individuals or groups, may be specifically authorized for such demonstrations when representing the Department of Defense.

(iii) *Flyover.* A straight and level flight by no more than four military aircraft from a Military Service over a predetermined point on the ground at a specific time and not involving aerobatics or demonstrations.

(iv) *Aerial review.* A flyover of multiple types of aircraft or aircraft representing more than one Military Service with elements in trail formation and not involving precision maneuvers or demonstrations.

(v) *Static display.* A ground display of aircraft and its related equipment not involving taxiing or starting of engines while spectators are in the display area.

(vi) *Aerial activities.* All other aerial demonstrations, not listed in paragraphs (b)(2) (i) through (vi) of this section, designed to portray performance techniques by a single aircraft or group of aircraft or personnel. Such demonstrations include but are not limited to air-to-air refueling, helicopter flight techniques, maximum performance takeoff, performance record demonstrations, mass parachute jumps, air delivery of equipment, assault aircraft demonstrations, tactical helicopter troop landings under simulated tactical conditions, air-rescue demonstrations, and rappelling demonstrations.

(c) *Policy.* (1) Armed Forces aerial demonstrations may be authorized at appropriate public programs, on a military installation, or elsewhere which meet basic criteria set forth in this Instruction. Support may include officially designated military flight or parachute demonstration teams, flyovers, aerial reviews, the static displays of aircraft, and other aerial activities.

(2) Any aerial demonstration will be entirely dependent upon the Military Services' capability to provide such resources at the time of an event.

(3) All pertinent safety regulations of the Department of Defense and the Department of Transportation (Federal Aviation Agency) will be rigidly observed, and will take precedence over any or all conditions or circumstances.

(4) Maximum advantage of Armed Forces recruiting will be taken at public events where Armed Forces aerial

demonstrations have also been authorized.

(5) During the hours aircraft are actually on display or providing demonstrations before the public, qualified Armed Forces personnel will be available to explain the missions performed and answer spectators' questions.

(6) Armed Forces teams may not compete for prize monies. (See part 237 of this title.)

(7) Armed Forces aerial demonstrations are usually limited to 2 days in any one aerial event. However, parachute demonstrations may extend over a 3-day period. This provision may be waived when:

(i) Other requests for the time frame have not been authorized.

(ii) Extended participation does not compromise another event because of travel time.

(iii) It is determined that the audience will change each day.

(iv) The event is of national or international nature and participation would be in the best interests of the Department of Defense.

(8) No two aerial demonstration teams of the same type will be approved for a single event. Flyovers may be authorized at an event where a flight or parachute demonstration team will perform, provided they are scheduled on days other than those authorized for the demonstration teams' performance. Static displays and other aerial activities may be authorized in conjunction with any other aerial participation.

(9) Aircraft performance record demonstrations are restricted to aircraft which have been assigned to an operational unit of a Military Service for at least 6 months in demonstrations which imply no competition among the Military Services. They may be conducted periodically in the interest of keeping the public apprised of U.S. engineering-technical capabilities in the development of aircraft altitude, speed, endurance, and individual performance or record demonstrations.

(d) *Procedures.* (1) All nonmilitary sponsors desiring Armed Forces aerial demonstrations should be requested to complete the approved DoD request format (Enclosure 1). This format may be reproduced and distributed by the Military Services.

(2) The Department of Defense (OASD(PA)) will host a scheduling conference in mid-December each year to prepare the official flight and parachute demonstration team's performance schedules for the following year.

(i) Nonmilitary sponsors desiring flight and/or parachute demonstration teams must submit an approved DoD request format (Enclosure 1) to ASD(PA) no later than September 30 to be considered for inclusion in the approved schedule for the following calendar year.

(ii) Military Departments desiring flight or parachute demonstration team performances will consolidate their requests and forward them to ASD(PA) no later than November 15 to be considered for inclusion in the approved schedule for the following calendar year.

(iii) Following the scheduling conference, a tentative schedule will be prepared by OASD(PA) and submitted to the Military Departments for review and concurrence prior to final approval by the ASD(PA). Precautions will be taken to ensure that sponsors are *not* provided any information concerning the status of their request until final approval and release of the schedule by ASD(PA). Exceptions to this policy may be made only with advance approval of the OASD(PA).

(3) Nonmilitary sponsors desiring aerial demonstrations other than flight and parachute team demonstrations should be requested to submit an approved DoD request form (Enclosure 1) to OASD(PA) no later than 30 days, and preferably 60 days, prior to the scheduled event.

(4) DoD Components desiring to conduct aerial reviews involving more than one Military Service on a military installation, or aerial reviews, flyovers, and other aerial activities elsewhere (except as provided in § 238.8(b)(4) of this part), will forward requests to ASD(PA) as soon as practicable and will include, as a minimum, those criteria contained in § 238.5(a)(2), this part.

(5) The Military Departments will forward requests for attempts to establish aircraft performance records and

to release information relative thereto to the ASD(PA) at least 45 days prior to the date of the proposed attempt. Submissions will include a description of the specific aircraft to be used and full justification for the proposed record attempt, including supporting flight and information plans. ASD(PA) will coordinate the request within the Department of Defense and with other appropriate Government departments or agencies and the National Aeronautic Association of the United States of America.

(e) *Evaluation.* Approvals or disapprovals of requests for aerial demonstrations will be based on the following:

(1) *Program criteria.* (i) Public events which are appropriate for Armed Forces aerial demonstrations include such activities as dedications of airports and facilities, aviation shows, expositions and fairs, and civic events which contribute to the public knowledge of Armed Forces aviation equipment and capabilities.

(ii) Aerial demonstrations may be authorized for military installations, including those leased by Reserve Components, in accordance with the guidance and direction provided by the ASD(PA) and the Secretaries of the Military Departments. Appearances by the flight and parachute demonstration teams on a military installation will only be approved in support of an official ''Open House'' program.

(iii) To minimize interference with operations and training of Armed Forces aviation units, flyovers will be approved only for the following occasions.

(A) Those events outlined in paragraphs (e)(1) (i) and (ii), above.

(B) Civic-sponsored public observances of and official ceremonies for Armed Forces Day, Memorial Day, Independence Day, and Veterans Day.

(C) Memorial or funeral services for dignitaries of the Armed Forces and the Federal Government, and for rated/designated aviation personnel of the Armed Forces as determined by appropriate Military Department regulations.

(D) Ceremonies honoring foreign dignitaries, when directed by executive order or the Secretary of Defense.

(E) Occasions primarily designed to encourage the advancement of aviation.

(2) *Sponsor criteria.* See § 238.6 (a)(2) and (b)(2).

(3) *Site criteria.* (i) Sponsors are required to obtain a Federal Aviation Agency waiver for any public demonstration by military aircraft or parachutists. The final authorization for such aerial demonstrations hinges upon the sponsor securing this waiver far enough in advance to permit adequate planning (normally no later than 60 days prior to the event).

(ii) Flight or parachute team demonstrations are restricted to appropriate events at airports, over open bodies of water, or over suitable open areas of land where crowd control can be ensured.

(iii) Flight demonstration team aircraft must operate from suitable airfields or the site of the event must be within a reasonable distance of a staging base. In the latter case, performances are seldom authorized since the recruiting potential is significantly reduced.

(iv) For any military aircraft to operate from an airport show site, all operational requirements concerning minimum usable runway lengths and load-bearing capacity must be met.

(v) Mass parachute jumps, aerial delivery of equipment, assault aircraft demonstrations, or tactical helicopter troop landings under simulated tactical conditions will be limited to military installations. These activities, except those scheduled as part of regular training programs, are not authorized for public events.

(4) *Support criteria.* (i) While the Department of Defense does not require the sponsor to provide the Department with a public liability and property damage insurance policy, this should not deter the sponsor from obtaining the insurance he/she feels is necessary for protection.

(ii) Civilian sponsors will be responsible for providing the following:

(A) The standard Military Services allowance for quarters and meals for Armed Forces participants, except for flyovers and other aerial activities not involving landing.

(B) If necessary, transportation, meals, and hotel accommodations for representatives of the requested unit to visit the site prior to the event.

(C) Transportation for Armed Forces participants between the site of the event and hotel and return. Additionally, if required, transportation from home station to the event and return.

(D) Telephone facilities for necessary official communications regarding the event.

(E) A recent aerial photograph, taken vertically from an altitude of 5,000 feet or higher, to the team giving the demonstration.

(F) Availability of suitable aircraft fuel at military contract prices. If fuel is not available at military contract prices, the sponsor must pay any costs over military contract prices, including transportation and handling.

(G) An ambulance and a doctor on the site during flight and parachute team demonstrations and certain other aerial activities, as determined in advance by the Military Services or the OASD(PA).

(H) Mobile firefighting, crash, and ground-to-air communications equipment at the demonstration site.

(I) Security for aircraft that land and are parked at the site during their entire stay.

(J) If necessary, aircraft for use as a jump platform by a parachute team at the location of the event.

(f) *Funding.* (1) Aerial demonstrations at public events, except for flyovers, aerial reviews, and other aerial activities not involving landing, will be provided at no additional cost to the Government.

(i) The sponsor is required to pay the standard per diem for quarters and meals, as prescribed in the Joint Travel Regulations, Volumes 1 and 2, and to provide adequate ground transportation between hotels and the site of the event and other necessary services, as determined by the participating Component and agreed to by the sponsor.

(ii) The sponsor should make the check for the required amount payable to the DoD organization which incurred reimbursable expenses. Usually, this will be the DoD organization to which the demonstration team is assigned. The Defense representative who makes the arrangements for the demonstration will provide the sponsor with the name or other identity of the organization to be cited as payee on the check. The sponsor will present the check to the appropriate demonstration team or aircraft commander upon arrival at the scheduled event. The commander, in turn, will transmit the check, expeditiously, to the accounting and finance office that supports the payee's operations.

(2) All costs are binding after a team or crew personnel have arrived at a show site, even though weather conditions or other unforeseen circumstances force the event to be canceled.

(g) *Responsibility and authority.* (1) The Assistant Secretary of Defense (Public Affairs) shall approve Armed Forces aerial demonstrations in support of community relations programs, as follows:

(i) All official flight team and parachute team demonstrations held on a military installation or elsewhere.

(ii) Flyovers held off a military installation (except as provided in paragraph (g)(2)(ii), of this section).

(iii) Aerial reviews involving more than one Military Service held on a military installation and all aerial reviews held elsewhere.

(iv) Aerial demonstrations held outside the United States which are not within a Unified or Specified Command area of responsibility.

(v) Other activities held off a military installation (except as provided in paragraph (g)(2)(v) of this section).

(2) The Secretaries of the Military Departments are authorized to approve aerial demonstrations in support of community relations programs by aircraft of their respective Services, as follows:

(i) Flyovers for events on military installations.

(ii) Flyovers at events off military installations for civic-sponsored observances of Armed Forces Day, Memorial Day, Independence Day and Veterans Day (except in the National Capital area).

(iii) Flyovers provided for military funerals for rated/designated aviation personnel of the Armed Forces.

(iv) Static display of aircraft held on military installations or elsewhere.

(v) Other aerial activities, as follows:

(A) Those held on military installations.

(B) Air-rescue demonstrations, team, or single parachute demonstrations (other than the U.S. Army Golden Knights), Navy Seal Team demonstrations, rappelling demonstrations, and air-to-air refueling demonstrations.

§238.11 Armed Forces bands, troops, and units in support of public programs.

(a) *Purpose and scope.* This enclosure is intended for use when determining the appropriateness or extent of Armed Forces participation in official Federal Government, military, or civic functions and all other community relation programs conducted in public. It governs all uniformed Armed Forces commands, organizations, units, and personnel appearing in public, including bands, musical groups, individuals, color guards, drill teams, marching units, exhibits or displays, and the loan or use of Armed Forces facilities and material in support of community relations programs.

(b) *Policy.* Armed Forces support of public programs has been developed by the Department of Defense to ensure compliance with public law, to ensure equitable distribution of resources to as many appropriate events as possible, and to avoid excessive disruption of training and operational missions of the Military Services. DoD support of public programs is authorized and encouraged when such support is in the best interest of the Department of Defense and the Armed Services. The Defense Establishment and the Armed Forces belong to the American people and thus the Department should not do for one segment of the society what it cannot do for all.

(c) *Procedures*—(1) *General.* Requests for Armed Forces support of public programs shall be addressed to the nearest military installation, giving full details on the approved DoD request format (enclosure 2), so that a decision, based on program criteria, sponsor criteria, site criteria and support criteria can be made.

(2) *National/International programs.* Requests for Armed Forces support for programs which, by their nature or because of news media coverage, could be of national or international interest will be forwarded through established command channels to the ASD(PA) for approval. Approval will be based upon program, sponsor, site, and support criteria listed above, or any recommendation or request for exception to policy by the appropriate commander.

(3) *Events in the National Capital area.* All requests for Armed Forces support of public programs within the National Capital area will be sent to the ASD(PA) for approval. Requests for Military Service bands, musical units, drill teams, color guards, etc., stationed in the Washington, D.C. area, may be made by submitting the attached approved DoD request format through appropriate command channels.

(4) *Local events.* Local military commanders may authorize support of purely local programs without further authorization from the Department of Defense. The program must be consistent with at least one condition of each of the established criteria groups in §238.6(a) and be consistent with resource capability, operational commitments and applicable regulations.

(d) *Evaluation.* (1) When evaluating requests for Armed Forces support of public programs, the interests of the Department of Defense, the public at large, operational requirements of the Military Services, and availability of appropriate resources are prime considerations. (See §238.6 (a) and (b).) Commitment of resources to specific programs must be balanced with the governing factors and guidelines of the basic Instruction and with requests for similar participation received from other sources. DoD support, directly or indirectly, must not:

(i) Endorse or benefit selectively or favor any private individual, group, corporation (whether for profit or nonprofit), sect, quasi-religious or ideological movement, political organization, or commercial venture; or

(ii) Be associated with the solicitation of votes in a political election. (See §238.6 (a) and (b).)

Such sites as commercial theaters, department stores, churches, or fraternal halls are, generally, inappropriate sites for Armed Forces support. Testimonials to individuals or sectarian religious services are inappropriate programs for Armed Forces support.

(2) Support by the Armed Forces of any program may be authorized only if admission, seating, and all other accommodations and facilities are available to all without regard to race, creed, color, national origin, or sex.

(i) Support of programs sponsored by certain organizations may be authorized when the program is oriented towards the community interests as opposed to the sectarian, fraternal, or national origin aspects or objectives of the organization.

(ii) Participation in nonpublic school events is authorized when the program is clearly patriotic or educational in nature or is in support of recruiting programs.

(iii) No admission charge may be levied on the public solely to see an Armed Forces demonstration, unit, or exhibit. When admission is charged, the Armed Forces activity must not be the sole or primary attraction. (Excludes Navy and Marine Corps Band Tours.)

(3) The term ''fund-raising'' identifies the avowed or announced purpose of a program which, by any means, seeks to acquire money or material in excess of actual costs for charitable, civic, or other purpose. Support by the Armed Forces in an official capacity in fund-raising programs is restricted to fund-raising activities in support of recognized united, federated, joint, or other authorized campaigns (see § 238.6(a)(1)(v)). A required condition of such support will be that the sponsor of an event certifies that all profits accrued will be donated to a united, federated, or joint campaign. In view of the national interest, the Armed Forces may support sports or other public programs held for the sole purpose of raising funds for the U.S. teams competing in the Pan-American and Olympic Games. DoD policies concerning Armed Forces support of fund-raising programs are detailed in part 237 of this title. Additional information may be found in DoD Directive 5035.1.

(4) When Armed Forces support of a public program is in the mutual interest of the Department of Defense and the sponsor, participation will be authorized at no additional cost to the Government. Additional costs to the Government—travel and transportation of military personnel, meals and quarters or the standard per diem allowance—must be borne by the sponsor.

(5) The duration of support by military units in any single program is limited in the interests of proper utilization and equitable distribution of Armed Forces manpower and resources. While an exhibit may be scheduled for the duration of a program, participation of a unit such as a military band is limited to 3 days.

(6) Armed Forces support of professional sports programs and all postseason bowl games will be authorized at no additional cost to the Government, will emphasize joint Service activity where praticable, and must support recruiting programs. Support of commercially oriented events, such as beauty pageants, Christmas parades, and motion picture premieres is not authorized.

(7) Armed Forces musical units may be authorized to provide certain specified musical presentations for public programs. The performance must not place military musicians in competition with the customary or regular employment of local nonmilitary musicians. Background, dinner, dance, or other social music is not authorized for public programs held away from a military installation. Programs which may be authorized usually include a short (15–20 minute) patriotic presentation. Musical selections consist of a medley of military or patriotic songs, appropriate honors, and music to accompany the presentation of the colors by a color guard.

(e) *Exhibits.* (1) Exhibits are both indoor and outdoor types. The Military Services maintain Armed Forces exhibits which are used in their individual public affairs programs. These exhibits are maintained by the Military Departments and are provided to sponsors of events at no additional cost to the Government.

(2) Most exhibits are displayed during programmed tours which are scheduled 6 to 8 months in advance. Requests for these exhibits should be initiated well in advance of the event.

(3) Requests for Armed Forces exhibits in support of public programs should be forwarded to one of the following addressees, using an approved DoD request format:

U.S. Army

Chief of Public Affairs, Department of the Army, Washington, D.C. 20310.

U.S. Navy

Chief of Information, Department of the Navy, Washington, D.C. 20350.

U.S. Air Force

Commander, USAF Orientation Group, Wright-Patterson AFB, Ohio 45433.

(4) The exhibits used in support of personnel procurement and recruiting are governed by policy established by the Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics).

(f) *Armed Forces personnel, facilities, and materiel*—(1) *General.* (i) Armed Forces (including Guard/Reserve and ROTC) resources, such as bands, troops, drill teams, color guards, installations facilities, and materiel may be effectively used to support community relations programs.

(ii) The use of military personnel as ushers, guards, parking lot attendants, runners, messengers, baggage handlers, crowd control, or other inappropriate capacities in support of public programs conducted off military installations is not authorized.

(2) *Flags.* (i) The loan of official flags of DoD Components will not be authorized without the approval of the Secretaries of the Military Departments or Heads of the other Components concerned.

(ii) In public programs for which DoD support has been authorized and at which the display of colors is appropriate, a Joint Armed Forces Color Guard will be employed, when available, using the following composition: Two Army bearers with National and Army colors; one each Marine Corps, Navy, Air Force, and Coast Guard[2] bearer with individual Service colors; and one Army and one Marine Corps rifleman as escorts.

(iii) When a Joint Armed Forces Color Guard, as specified above, cannot be formed, the senior member of the senior Service in the Color Guard will carry the national colors. DoD Components will be guided by the table of precedence prescribed in DoD Directive 1005.8,[3] ''Order of Precedence of Members of Armed Forces of the United States When in Formations,'' October 31, 1977.

(iv) United States military personnel may carry flags of foreign nations in official civil ceremonies when an official of the nation concerned is present in an official capacity and the official is one for whom honors normally would be rendered. In all other public programs or ceremonies, United States military personnel in uniform and in an official capacity are not authorized to carry flags of foreign nations, veterans groups, or other nonmilitary organizations.

(3) *Loan of materiel and facilities*—(i) *Materiel.* Equipment which formerly was available only from the military is now readily available from commercial sources. In considering requests for loan of military materiel, commanders must determine that similar materiel or facilities are not reasonably available from commercial sources before providing the support requested. This is particularly applicable to such items as communications, office, food-handling, and lighting equipment. Also included are construction, earth-moving, or other transportation and field equipment support. Other criteria to be considered are:

(A) The equipment must be locally available in the command, and its use for public affairs purposes must not be permitted to interfere with the military mission of the command.

(B) The public affairs program for which loan support is requested must be one in which the command is actively participating and one within the

[2] Pursuant to agreement with the Secretary of Transportation.

[3] See footnote 1 to § 238.4(d).

scope of its community responsibilities.

(ii) *Facilities.* Requests which do not fall within the discussion in this section shall be referred, with the DoD Component's recommendations, to the ASD(PA) for consideration. Further guidance is provided in § 238.19.

(g) *State governors' inaugural ceremonies and parades*—(1) *General.* Support by DoD Components is appropriate in public parades and in inaugural ceremonies subject to the availability of resources. To the greatest extent practicable, Armed Forces support should be joint in nature. In those cases where a Military Service desires to support an inaugural program but has no troops or resources stationed within that State, the circumstances should be reported to the ASD(PA). Bands, troop units, and equipment from outside the local area may be provided only if no additional cost to the Federal Government will be incurred.

(2) *Support considerations.* (i) Support should be limited in size and scope, bearing in mind the potential demands that may be generated from State to State. Marching units with a combined strength of no more than one platoon from each Military Service and no more than one military band are recommended guidelines. The display of equipment and vehicles in parades is encouraged.

(ii) It is recognized that the State National Guard may be ordered to State duty by appropriate State authority, although Federal funds are not made available. Such service and expenses involved are paid for by other than Federal funds. The governor of a State has the authority to utilize, at no expense to the Federal Government, national guard troop units as required in support of the inaugural parade and ceremonies.

(iii) The duties to be performed by national guardsmen in uniform shall conform to the policies of the Secretary of Defense as set forth in part 237 of this title and this part. Use of military personnel as escorts, ushers, doormen, or drivers for nonmilitary guests or local dignitaries is not authorized.

§ 238.12 Speaking engagements.

(a) *Purpose.* This part which includes a reiteration of pertinent policy statements from part 237 of this title, contains definitions, policy, procedural, and funding guidance concerning public speaking engagements by DoD personnel.

(b) *Definitions*—(1) *Speaking engagement.* A prearranged official Federal, State, or Municipal government; organizational; or public event at which a military or civilian member of a DoD Component speaks about a DoD subject within his or her official cognizance. Impromptu remarks by an individual delivered incidentally and simply as a part of his/her attendance at an event does not constitute a speaking engagement within the meaning of this Instruction.

(2) *DoD Speaker.* Any civilian or military member of the Department of Defense at any level and of any rank who speaks in public about a DoD subject within his/her official cognizance.

(c) *Policy.* The Department of Defense encourages qualified civilian and military officials at all levels to accept speaking invitations as an effective means of informing the public about Defense matters. DoD Instruction 5230.13,[1] ''Principles of Public Information,'' October 23, 1973.

(d) *Procedures*—(1) *General considerations.* The following points should be considered by members of the Department of Defense prior to acceptance of a speaking invitation:

(i) Participation must not interfere with assigned duties.

(ii) Speakers must address their remarks to subjects within their official cognizance.

(iii) Views expressed must not conflict with national policy.

(iv) Speakers may not be provided for partisan political gatherings (see DoD Directive 1344.10,[1] ''Political Activities by Members of the Armed Forces,'' September 23, 1969, or fund-raising events which do not meet basic DoD criteria (see part 237 of this title and DoD Directive 5035.1, respectively).

(v) A speaker's participation must not lend an air of sponsorship to the

[1] See footnote 1 to § 238.4(d).

statements of others which may be partisan in nature or contrary to national policy.

(vi) Subject matter and text may require review and clearance (see DoD Directive 5230.9,[1] ''Clearance of DoD Public Information,'' December 24, 1966).

(vii) Situations where the real or apparent purpose is to stage controversy will be avoided. The ASD(PA) will be consulted before speakers are provided for events in which public confrontation or debate of national policy matters is planned or likely.

(viii) Department of Defense support is not authorized if the sponsor or sponsoring organization specifically excludes any person from its membership for reasons of race, creed, color, or national origin. However, DoD support is authorized for programs sponsored by organizations whose qualifications for membership is based on national origin or sex, but only when the program so supported is oriented to the community rather than to the national origin or objective of the organization itself, and admission, seating, and all other accommodations and facilities connected with the program are available to all without regard to race, creed, color, national origin, or sex.

(ix) Acceptance of press, radio, and television interviews in conjunction with speaking engagements is encouraged, subject to the provisions of this Instruction and other pertinent public affairs Directives.

(x) Advance distribution of copies of speech texts (embargoed when necessary) may be used to gain wider dissemination of DoD information beyond an intended local audience when media coverage is anticipated. Distribution of speech texts should be made in cooperation with the host organization.

(2) *Level of acceptance.* Organizations or groups wishing to extend a speaking invitation should be encouraged to correspond directly with the Public Affairs Officer of the nearest installation likely to have someone assigned who is cognizant of the subject matter to be discussed. The Fact Sheet (enclosure 3) and Speaker Request Formats (enclosure 4) may be utilized when replying to queries concerning speakers. DoD Components shall channel speaking invitations to appropriate officials nearest the site of the event.

(3) *Presidential representatives.* The Department of Defense is sometimes required to furnish a military officer to represent the President of the United States at occasions where ''remarks'' or ''an address'' are required. The minimum appropriate grade, in this circumstance, is a general or flag officer unless there are overriding practical considerations precluding general or flag officer availability.

(e) *Funding.* (1) Speaking engagements normally will be at Government expense.

(2) Acceptance of a gratuity as defined in part 40 of this title, a fee, or an honorarium is prohibited. Reimbursement for necessary travel and living costs may be accepted from the sponsoring organization in lieu of reimbursement by the Government, in accordance with Joint Travel Regulations (Volumes 1 and 2). Consult the local finance or disbursing officer for specifics.

(f) *Reports.* (1) The Office of the Assistant Secretary of Defense (Public Affairs) requires a monthly speakers' report covering a projected 60-day period for all accepted speaking engagements of senior civilian and military representatives of the DoD Components down through Deputy Assistant Secretary and three-star rank. This report is due no later than the 24th day of each month, attention Directorate for Community Relations. The report will include the following information:

(i) Name, rank, and title of speakers

(ii) Date of speaking engagement

(iii) Place of speaking engagement

(iv) Host organization

(2) This reporting requirement has been assigned Report Control Symbol DD-PA(M)979.

(3) From the above information, the Directorate for Community Relations, Office of the Assistant Secretary of Defense (Public Affairs), will publish a monthly speakers' schedule.

§ 238.13 National organizations.

(a) *Policy.* OASD(PA) serves as the primary point of contact within the Department of Defense for all types of national organizations. In addition, on

matters relating to the provision of information of DoD policies, programs, budgets, plans, and activities, OASD(PA) is the principal point of contact with business and industry. Establishment of this focal point is designed to avoid duplication and ensure that a coordinated DoD view is expressed when responding to the nontechnical needs of these organizations and the business/industrial community.

(b) *Procedures.* (1) OASD(PA) serves as the principal Department of Defense point of contact for all national organizations (to include their local and regional chapters in the National Capital area) on all matters except:

(i) Requests for information emanating from an organization and bearing directly on an individual DoD Component.

(ii) Requests for speakers.

(iii) Those matters involving contractual or consulting relationships.

(iv) Matters pertaining to scientific and technical information. Scientific and technical information services are administered by the Defense Logistics Agency.

(2) Except in the National Capital area, local and regional chapters of national organizations may deal directly with local commanders as delegated by appropriate authority. In the National Capital area, local and regional chapters shall be referred to OASD(PA) when they request support from the Department of Defense or any of its elements. When appropriate, OASD(PA) will refer the matter to whatever DoD Component can best fulfill the organization's request.

(3) Authority for direct communication and liaison with organizations directly associated with specific interests of a single DoD Component is delegated (see § 238.8(d)(2) of this part) to that Component. Individual Components which maintain liaison with such organizations are required to carry on their activities in accordance with the letter and the spirit of policies set forth in parts 237, 91, and 40 of this title, respectively).

(4) OASD(PA) periodically provides to national organizations information concerning policies, programs, budgets, and other activities of the Department of Defense. DoD Components are encouraged to provide informative material to OASD(PA) for inclusion in these periodic mailings. Examples of Component-related material which would be proper for distribution to organizations through OASD(PA) include posture statements, significant congressional testimony, internal publications outlining important programs which will have a wide-ranging impact, and other major policy pronouncements such as speeches.

(5) Policies regarding liaison and communication with the support for organizations representing business or commercial interests are outlined in part 237a of this title which also covers relationships with businesses, industries, and other commercial enterprises.

§ 238.14 Armed Forces Day.

(a) *Purposes.* This enclosure contains guidelines concerning the annual observance of Armed Forces Day. (See part 237 of this title.)

(b) *Policy.* (1) By Presidential proclamation, Armed Forces Day is observed on the third Saturday of each May. It provides a special occasion to satisfy public interest in the Defense establishment and to demonstrate the unity and common purpose of the Armed Forces in the fulfillment of our national security requirements.

(2) In keeping with the spirit of unification as set forth in the National Security Act of 1947, as amended, participation by military units in the observance of the birthdays of individual DoD Components or any other day or days of significance to a single Component, its subordinate elements, or auxiliaries will not be undertaken away from military installations without the specific authorization of the Assistant Secretary of Defense (Public Affairs).

(3) The United States Coast Guard is included, where feasible, in observances of Armed Forces Day, pursuant to agreement with the Secretary of Transporation.

(c) *Procedures.* (1) The Assistant Secretary of Defense (Public Affairs) is responsible for coordinating Armed Forces Day programs at the national level and for issuing annual guidance for the conduct of each year's observance.

(2) Cooperation with communities and organizations planning observances of Armed Forces Day is encouraged.

(3) DoD Components shall extend hospitality to the general public by hosting ''Open House'' or similar activities on military installations and ships.

(4) In localities and situations where two or more Military Services are represented, joint participation in community sponsored programs is encouraged.

(5) Armed Forces Day will be treated as a national holiday for purposes of determining support authorized by part 237 of this title and this part.

(6) Armed Forces Day will be observed in overseas areas in the manner determined most suitable by the Commander-in-Chief of the Unified or Specified Command concerned. The observance may be held on military installations for U.S. personnel and dependents and may be open to the general public or conducted elsewhere in the host nation. These observances will not be combined with other U.S. or foreign holidays or observances.

(d) *Funding.* DoD Components shall, within their available funds, defray the expenses necessay for the observance of Armed Forces Day within their respective areas of responsibility.

§238.15 Veterans Day observances and national conventions of national veterans organizations.

(a) *Policy*. It is DoD policy to provide military support for:

(1) Veterans Day observances at communities designated as regional sites by the Veterans Day National Committee of the U.S. Veterans Administration;

(2) Smaller local observances held in communities not so designated; and

(3) National conventions of national veterans organizations.

(b) *Procedures*—(1) *Veterans Day observances.* (i) The Administrator of Veterans Affairs is normally designated by Presidential proclamation as the Chairman, Veterans Day National Committee. The objective of this committee, comprised of representatives from major veterans organizations, is to stimulate and perpetuate national public interest in honoring all veterans of all wars on Veterans Day. Each year, this committee designates certain communities as regional sites for the observances of this national holiday. Department of Defense supports these observances by appointing a DoD Coordinator and approving military support.

(ii) Regional sites are designated to ensure that proper priority and an appropriate level of support are available for these major observances.

(2) *National Veterans organizations conventions.* Each year the national veterans organizations request military support for their national conventions. The support requested varies with each organization. At conventions with multi-Service support, a DoD Coordinator will be assigned by OASD/PA; while at smaller conventions, one Service project officer may coordinate appropriate Armed Forces support.

§238.16 Presidential wreath-laying ceremonies.

(a) *General.* Over the course of years the Office of The Military Assistant to the President has coordinated the annual placement of Presidential Wreaths at the tombs, burial sites, and/or monuments of all former Presidents. The repeated placement of these wreaths through the years led to the development of the ''President's Approved Wreath List'' (Enclosure 5).

(b) *Procedures.* (1) Enclosure 5 contains the President's Approved Wreath List, including name, place, and date for wreath-laying ceremonies for each former President.

(2) Enclosure 5 also contains a list of Military Departments responsible for providing a representative of the President to place each wreath.

(3) The minimum appropriate military grade for this program is general or flag rank, unless overriding considerations preclude the availability of a general or flag officer.

(c) *Responsibilities.* (1) The ASD(PA) is responsible for overall coordination of DoD support for this program.

(2) Secretaries of the Military Departments will designate appropriate Presidential representatives, in accordance with the listing contained in enclosure 5, to place wreaths in honor of

former Presidents. The name, rank, title, address, and telephone number of each designated representative will be forwarded to the ASD(PA) at least 60 days in advance of the month of wreath placement.

(3) The Military Assistant to the President will make necessary arrangements to provide each wreath.

(4) Names of designated Presidential representatives will be forwarded, via the Special Assistant to the Secretary of Defense, to the Military Assistant to the President, who will coordinate final details of each ceremony.

(d) *Reports.* The report required in § 238.16(c)(2) is assigned Report Control Symbol DD–PA(AR)1348.

§ 238.17 Sports activities.

(a) *Policy*. (1) DoD Directive 1330.4 establishes the Interservice Sports Committee (ISC) which acts for the ASD(PA) in all matters pertaining to interservice competition and joint Military Service participation in national and international sports. Each Military Service is represented on the committee.

(2) Athletic activities of the Military Service academies that are conducted away from military installations shall be governed by the general policy contained in part 237 of this title and this part.

(b) *Responsibilities.* Among other functions, the ISC as Executive Agent, for the DoD shall:

(1) Act for the Department of Defense on matters pertaining to sports involving more than one Military Service.

(2) Plan and conduct all interservice sports championships, and establish and monitor all joint Military Service efforts in support of national and international sports activities.

(3) Coordinate with Department of State, as required by part 347 of this title, and other Government agencies and national sports organizations on sports tours and clinics in foreign countries which propose to utilize U.S. military personnel.

(4) Provide representation for the Department of Defense on related Government committees.

(5) Coordinate and maintain liaison with national sports governing bodies in matters of mutual interest to the Military Departments.

(6) Secure Department of State approval for military participation in international sports competition, and monitor military sports programs to ensure compliance with the provisions of part 237 of this title.

(7) Serve as a contact point for the entire Defense establishment on questions pertaining to sports.

§ 238.18 DoD coordinators.

(a) *Purpose.* Some community relations programs involve support by more than one Military Service. Events of this nature include major national veterans conventions, regional Veterans Day observances, major air shows, large civic festivals, inaugurals, etc. The purpose of this enclosure is to provide guidelines for the coordination of such programs.

(b) *Procedures.* (1) When military support of a program sponsored by a civilian organization is furnished by more than one Military Service, and the magnitude of the support warrants DoD coordination, one Military Department will be requested by OASD(PA) to nominate an officer located in the area of the program to serve as the coordinator of DoD support.

(2) After being nominated, the officer will be designated as the DoD Coordinator by OASD(PA). The DoD Coordinator will be responsible for coordinating all military support, including support by National Guard/Reserve components, within the limitations set forth in part 237 of this title, this part, and other specific guidelines prepared by OASD(PA) and provided to him/her upon designation as DoD Coordinator. The DoD Coordinator is authorized direct liaison with OASD(PA).

(3) Also, OASD(PA) will request appointment of project officers, normally located within the area of the event, from the Military Departments providing support for the program. These Service project officers will assist the DoD Coordinator.

(c) *Reports.* The DoD Coordinator will prepare an after-action report and forward it to OASD(PA) within 30 days following the program. Report Control Symbol DD–PA(AR)1348 applies.

§ 238.19 Miscellaneous public affairs-related activities.

This part contains a list of Public Affairs-related activities conducted by certain DoD Components under authority other than that delegated to the ASD(PA).

(a) *Employment of military resources in natural disaster emergencies within the U.S., its territories and possessions.* (1) DoD Directive 3025.1,[1] ''Employment of Military Resources in Natural Disaster Emergencies Within the United States, Its Territories and Possessions,'' August 30, 1971, governs.

(2) The Secretary of the Army is designated as the DoD Executive Agent for military support in disasters.

(3) The ASD(PA) is responsible for associated public affairs activities.

(b) *Foreign disaster relief operations.* (1) DoD Directive 5100.46,[1]''Foreign Disaster Relief,'' December 4, 1975, governs.

(2) The ASD(ISA) is responsible for overall coordination of DoD support.

(3) The ASD(PA) is responsible for public affairs plans and activities. He is the single point of contact with the Department of State/AID or the International Communications Agency (ICA) on associated public affairs matters.

(c) *Use of DoD facilities or resources for other than public affairs purposes.* (1) The use of any DoD facility or resource to accomplish a community relations objective (see part 237 of this title) is considered use for a public affairs purpose. Any other use of a DoD facility or resource is not a public affairs matter.

(2) Policies and procedures governing the use of DoD facilities or resources for other than public affairs purposes are the responsibility of the ASD(MRA&L), the Secretaries of the Military Departments, or the Directors/Commanders of other DoD Components.

(d) *Transportation.* (1) Policy governing the use of military carriers for public affairs purposes is contained in DoD Instruction 5435.2.

(2) Travel or transportation for public affairs purposes is defined as any travel or transportation of individuals, groups, or materiel undertaken as a result of a request to or an invitation from and authorized by competent authority in the Department of Defense in the interest of adding to the public understanding of DoD activities. It includes travel or transportation involving individuals or things, military or civilian, Government or non-Government, U.S. or foreign requests. It may be reimbursable.

(3) All other uses of military carriers are governed by policies promulgated by the ASD(MRA&L).

(e) *Organizational relationships.* Direct liaison channels exist between certain organizations and OSD agencies other than OASD(PA) in cases specifically provided for under public law or DoD Directive. Examples are:

(1) *United Service Organization*—ASD(MRA&L)—DoD Directive 1330.12,[1]''United Service Organizations, Inc.'' April 4, 1979.

(2) *American National Red Cross*—ASD(MRA&L)—DoD Directive 1330.5,[1]''American National Red Cross,'' August 16, 1969.

(3) *Boy Scouts of America and Girl Scouts of America.* (i) Nonappropriated fund activities—ASD(MRA&L).

(ii) Where authorized, priorities for travel on military carriers—ASD(MRA&L)—DoD Regulation 4515.13–R,[1]''Air Transportation Eligibility,'' February 1975.

(iii) Use of military transportation and facilities to include support for International and National Jamborees—ASD(MRA&L).

(4) *United Seamen's Service*—ASD(MRA&L)—DoD Directive 1330.16,[1]''United Seamen's Service (USS),'' July 10, 1971.

(5) *Veterans Organizations* (i) Service Discharge matters—ASD(MRA&L); Military Departments.

(ii) Donation of Surplus Equipment—ASD(MRA&L) DoD Manual 4160.21–M,[1] ''Defense Disposal Manual,'' June 1973.

ENCLOSURE 1—FORMAT REQUEST FOR AERIAL DEMONSTRATION

This format is used to request Armed Forces aerial demonstrations at public events. The information is required to evaluate the event for appropriateness and compliance with DoD policies and for coordination with units involved. Please complete *all* sections.

[1] See footnote 1 to § 238.4(d).

[1] See footnote 1 to § 238.4(d).

Each year, in December, the Department of Defense hosts a flight and parachute demonstration team scheduling conference to prepare the annual schedule for the following calendar year for the U.S. Navy Blue Angels, the U.S. Air Force Thunderbirds, and the U.S. Army Golden Knights. All requests for these demonstration teams must arrive at the Office of the Assistant Secretary of Defense, Public Affairs (OASD/PA), no later than September 30, to be considered at the scheduling conference. Requests for other aerial demonstrations (flyovers, static displays, etc.) must arrive at OASD(PA) a minimum of 30 days in advance of the event and preferably 60 days.

DoD policies require that aerial demonstrations at public events will be provided at no additional cost to the Government. The sponsor is required to pay the standard Military Services allowance for quarters and meals for Armed Forces participants and for certain other services determined in advance by the Military Services and agreed to by the sponsor. All costs are binding after a team or crew personnel have arrived at a show site, even though weather conditions or other unforeseen circumstances force the event to be canceled.

Section A: General

1. Title of event:

_____

2. Town or city: _____ State: _____
3. Place (airport, fairgrounds, etc.):

_____

4. Inclusive dates of event:

_____

5. Sponsoring organization:

_____

6. This request is for: (please circle the appropriate event):
a. U.S. Navy Blue Angels
Performance Dates _____
OR
U.S. Air Force Thunderbirds
(or) _____
(The standard Military Services allowance for quarters and meals for either team will cost $2,100.00 for each day a team is scheduled at your event.)
(or) Alternate Dates _____
b. U.S. Army Golden Knights
Performance Dates _____
(or) _____
(The cost will vary dependent upon travel time to and from the demonstration site, and the number of participants. *See note at bottom of this page for detailed explanation of how costs are computed.*)
(or) Alternate Dates _____
c. Aircraft Flyovers
Performance Dates _____
(No cost to sponsor)
d. Static Display
Performance Dates _____
(The standard Military Services allowance for quarters and meals is $35.00 per day per crewmember.)
e. Other: _____
Performance Dates _____

NOTE: U.S. Army Golden Knights: Under normal conditions, the team is composed of nine jumpers, three aircraft crewmen, a ground controller, a narrator and information specialist. They are reimbursed by the Government at an average cost of $30.00 per individual per 24-hour day, for each performance day required to support your event (average team cost per performance day: 15 personnel × $30 = $450.00). Travel day reimbursement required to support your event is normally an average of $15.00 per individual per day, for each day of travel to and from Fort Bragg, North Carolina (average team cost per travel day: 15 personnel × $15 = $225.00). The sponsor will be advised by the Golden Knights, in advance, of the exact cost which the Government must be reimbursed.

Section B: Program

1. Purpose of this event:

_____
_____
_____
_____

2. Expected attendance: _____
Previous year's attendance: _____
3. Admission charge: $_____
Charge for parking: $_____
Charge for seating (if not included in admission charge): $_____
a. Will prize monies be given for any purpose at this event? _____
b. Source of prize monies: _____
c. Is this event used to promote funds for any purpose? _____
d. Disposition of profits which may accrue:
_____

4. Will admission, seating and all other accommodations and facilities connected with this event be available to all persons without regard to race, creed, color, sex, or national origin?_____
5. Will sponsor consult with local Military Service recruiters and support, at no charge, military recruiting activities at the site of the event? _____
6. This event (is) (is not) a civic occasion and (does) (does not) have the official backing of the Mayor.
7. Has a demonstration team ever performed at your event before? _____
a. Which team? _____
b. Year of last performance: _____

Section C: Site

1. Flight or parachute team demonstrations are restricted to appropriate events at airports, over open bodies of water, or over suitable open areas of land.
a. Specific location of event:

b. Length of active runway:

2. Flight and parachute team demonstrations must adhere to FAA regulations which specify that spectators are not to be permitted within 1,500 feet of an area over which flight demonstrations take place, or within 250 feet of a jump area over which parachutists are performing.

a. What type of crowd control is planned?

3. Flyovers and flight and parachute team demonstrations require that sponsors secure FAA clearance or waiver.

a. Does the FAA representative in your area agree that your aviation event is feasible for the type of Armed Forces aerial demonstrations requested? _____

b. Will sponsor secure FAA clearance or waiver at least 60 days prior to event?

4. Sponsor agrees to provide to the demonstration flight or parachute team commander, upon request, a recent aerial photograph, taken vertically from an altitude of at least 5,000 feet.

Section D: Support

Indicate that the sponsor understands and will provide the following:

1. Team costs as outlined in section A:

2. The standard Military Services allowance for quarters and meals for Armed Forces participants (if not included in team costs):

3. If required, transportation, meals, and hotel accommodation cost for representatives of the requested unit to visit the site prior to the event:

4. If required, transportation costs from home station to the event and return for all participants:

5. Transportation costs for all participants between site of the event and hotel:

6. Telephone facilities for necessary official communications at the site of the event:

7. Security for aircraft that land and are parked at the site during their entire stay:

8. Mobile firefighting, crash, and ground-to/air communications equipment at the demonstration site for flight and parachute demonstrations and static display aircraft:

9. Suitable aircraft fuel at military contract prices. (Sponsor must pay all costs, including transportation and handling, if necessary, over military contract prices if fuel is not available at such prices):

10. An ambulance and doctor on the site during flight and parachute demonstrations and during certain other types of aerial activities as determined in advance by the Military Services or OASD(PA):

Section E: Sponsor

1. Sponsor (is) (is not) a civic organization.

2. The sponsoring organization (does) (does not) specifically exclude any person from its membership based on race, creed, color, or national origin.

3. *Sponsor's Representative:* (Authorized to complete arrangements for Armed Forces aerial demonstrations and responsible for reimbursing the U.S. Government for accrued expenses when required)

Name: _____

Address: _____

City:_____State:____Zip:____

Position with sponsoring organization:

Telephone: Office: ( ) _____

Home: ( ) _____

4. Name and address of any Armed Forces representative or Government official with whom you have discussed possible participation:

Certification

I certify that the information provided in sections A. through E. is complete and correct to the best of my knowledge and belief. I understand that representatives of the Military Services will contact me to discuss arrangements and costs involved prior to final commitments.

Signature: _____

(Sponsor's representative) _____

Date of Request: _____

Mail to: Directorate for Community Relations, OASD(PA), Room 1E 776, The Pentagon, Washington, DC 20301.

ENCLOSURE 2—REQUEST FORMAT—ARMED FORCES PARTICIPATION IN PUBLIC EVENTS

This format is used to request all Armed Forces Band, Troop, and Exhibit participation in public events. The information is required to evaluate the event for appropriateness and compliance with DoD policies and for coordination with the units involved. *Complete section A and only those other sections that apply to your event.*

Section A: General

1. Title of event: _____

Town or City: ——— State: ———

Date: ——— Time—from: —— to: ——
Place: (Auditorium, convention hall, etc.)

2. Sponsor: ———

3. The sponsor (is) (is not) a civic organization and the event (has) (does not have) the official backing of the mayor.

4. The sponsoring organization (does) (does not) exclude any person from its membership or practice any form of discrimination in its functions based on race, creed, color, or national origin.

5. Sponsor's representative authorized to complete arrangements for Armed Forces participation:
Name: ———
Address: ———
City, State: ——— Zip: ——
Telephone: (Office) ( ) ——— (Home) ( ) ———

6. Purpose of this event (explain fully):

7. Expected attendance: ———

8. Is this event being used to raise funds for any purpose?

9. Admission charge: ———
Charge for seating: ———

10. Disposition of profits which may accrue:

11. Will admission, seating, and all other accommodations and facilities connected with the event be available to all persons without regard to race, creed, color, sex, or national origin?

12. Will the standard Military Services allowance for *quarters* and *meals* be provided by the sponsor for Armed Forces participants?

13. Will transportation at sponsor's expense be provided for Armed Forces participants between the site of the event and hotel?

If required, will transportation be provided from home station to the event and return?

14. Will telephone facilities, at sponsor's expense, be made available for necessary official communications regarding the event?

15. It may be necessary for representatives of the requested unit to visit the site prior to the event. Will transportation, meals, and hotel accommodations be provided by the sponsor?

Section B: Bands and Troops

1. This request is for (check appropriate line(s)):
Music: ———
Troops: ———
Other: ———

2. If you desire a certain musical unit, troop unit, or type of equipment, please specify:

NOTE: Standard Military Service allowances for quarters and meals—$35.00 per day per person. Bands will have approximately 50 members as a minimum.

3. If a musical unit is requested and an outdoor concert is planned, will there be a bandshell or bandstand?

4. Type of electric current available:
110V —— 220V —— Amps ——

Section C: Exhibits

1. Specify type of exhibit(s) desired:

2. If the event is indoors:
Area available for exhibit is —— feet long and —— feet wide; Ceiling height: ——; Type of floor (wood, concrete) ——; Floor loading capacity: ——; Electric current 110V —— 220V —— Amps ——; Size of doorway through which exhibit can be brought into building: —— feet high; —— feet wide. Size and load limits of freight elevators if event is on other than ground floor: —— feet wide; —— feet high; —— feet deep; load limit: ——.

3. If the event is outdoors:
Area available for exhibit is —— feet long and —— feet wide; Type of surface (sod, paved, gravel) ——; Type of electric current available: 110V —— 220V —— Amps ——; Obstructions to hinder unloading (high curbs, wires, trees):

4. Can forklift, C–2 wrecker or crane be made available for handling exhibits at no additional cost to the Government?

5. Will electric power, necessary services for connections, and other required utilities be provided by the sponsor?

6. Will police escorts through congested areas be required?

7. Will guards be provided for equipment and displays?

8. Is parking space available for tractors and trailers?

9. Name and address of any Armed Forces representative or Government official with whom you have discussed possible participation:

Certification

I certify that the information I have provided here is complete and correct to the best of my knowledge and belief. I understand that representatives of the Military Services will contact me to discuss arrangements and costs involved prior to final commitments.

Signature: (Sponsor's Representative)

Date of Request: _____

Return this request to:

ENCLOSURE 3—FACT SHEET

(Speaking Engagements by DoD Personnel.)

1. The Department of Defense encourages qualified civilian and military officials at all levels to accept speaking invitations as an effective means of informing the public about Defense matters by developing understanding and stimulating patriotic spirit.

2. DoD personnel may accept speaking invitations provided they adhere to the following guidelines:

a. Participation must not interfere with assigned duties.

b. Speakers must address their remarks to subjects within their official cognizance.

c. Views expressed reflect national policy.

NOTE: This requirement exists so that Government employees, when discussing Government business, may accurately explain official policy.

d. Speakers may not participate in partisan political gatherings.

e. DoD speaker participation in fund-raising efforts will be limited to the programs of the Combined Federal Campaign, to such appeals as the President may authorize, and to the Military Service aid societies. Note: Support for local fund-raising programs other than those described above is authorized only when the fund-raising program, is, in fact, *local* in nature and is of community-wide interest and benefit.

f. Their participation must not lend an air of sponsorship to the statements of others which may be partisan in nature and/or contrary to national policy.

g. Situations where the real or apparent purpose is to stage controversy will be avoided.

h. Speakers may not accept invitations when the sponsor or sponsoring organization specifically excludes any person from its membership for reasons of race, creed, color, or national origin. However, DoD support is authorized for programs sponsored by organizations whose qualifications for membership is based on national origin or sex when the program so supported is oriented to the community rather than to the national origin or sex-oriented aspects or objectives of the organization itself; and when admission, seating, and all other accommodations and facilities connected with the program are available to all without regard to race, creed, color, national origin, or sex.

i. Speakers may not accept gratuities, fees, or honoraria. Reimbursement for necessary travel and living costs may be accepted in lieu of reimbursement by the Government.

3. Speaking invitations should be directed to the Public Affairs Officer of the nearest military installation. The Public Affairs Officer would appreciate information of the type outlined on the enclosed speaker request form.

4. Inquiries may also be addressed to Director for Community Relations, Office of the Assistant Secretary of Defense (Public Affairs), The Pentagon, Washington, D.C. 20301.

ENCLOSURE 4—SPEAKER REQUEST FORMAT

I. Sponsoring Organization(s)

Name(s) _____

Person to contact relative to this request (Name, address & telephone number) _____

II. Meeting

Time:

Date _____

Meeting will begin at _____

Meeting will end at _____

Place:

City _____

Hall or Auditorium _____

III. Speech

Subject of speech _____

Time to be allowed _____

Will there be a question & answer period following speech? _____

Time to be allowed for speech _____

IV. Details of the Program

Other Speakers (Please list in order of appearance)

Speaker _____

Subject _____

Length of Speech _____

V. Audience

Anticipated Size _____

Composition of audience (teachers, businessmen, etc., or general public) _____

VI. Publicity

Will the meeting be open to the press? _____

Will the speech be broadcast? Will it be taped, filmed, or otherwise recorded? _____

VII. Miscellaneous

Would acceptance of this invitation place the DoD speaker in violation of any of the

guidelines contained in paragraphs 2.a. through i. of the accompanying Fact Sheet?

Give any other significant information which may be helpful in the selection of an appropriate speaker. If more space is needed use continuation sheets.

Signed _____

ENCLOSURE 5—PRESIDENT'S APPROVED WREATH LIST

Birth date	Former President	Location	Responsible Military Dept.
Jan. 7	Millard Fillmore	Buffalo, NY	Air Force.
Jan. 29	William McKinley	Canton, OH	Army.
Jan. 30	Franklin D. Roosevelt	Hyde Park, NY	Army.
Feb. 9	William H. Harrison	North Bend, OH	Air Force.
Feb. 12	Abraham Lincoln	Lincoln Memorial	Army.
		Springfield, IL	Army.
3d Monday in February (Official Holiday).	George Washington	Mt. Vernon, VA	Army.
Mar. 15	Andrew Jackson	Nashville, TN	Army.
Mar. 16	James Madison	Montpelier, VA	Navy (U.S. Marine Corps).
Mar. 18	Grover Cleveland	Princeton, NJ	Army.
Mar. 29	John Tyler	Richmond, VA	Army.
Apr. 13	Thomas Jefferson	Jefferson Memorial	Army.
Apr. 23	James Buchanan	Lancaster, PA	Army.
Apr. 27	Ulysses S. Grant	New York, NY	Army.
Apr. 28	James Monroe	Richmond, VA	Army.
May 8	Harry S. Truman	Independence, MO	Army.
May 29	John F. Kennedy	Arlington Cemetery	Army.
July 4	Calvin Coolidge	Plymouth, VT	Army.
July 11	John Quincy Adams	Quincy, MA	Navy.
Aug. 10	Herbert C. Hoover	West Branch, IA	Army.
Aug. 20	Benjamin Harrison	Indianapolis, IN	Army.
Aug. 27	Lyndon B. Johnson	LBJ Ranch, TX	Air Force
Sept. 15	William H. Taft	Arlington Cemetery	Army.
Oct. 4	Rutherford B. Hayes	Freemont, OH	Army.
Oct. 5	Chester A. Arthur	Albany, NY	Air Force.
Oct. 14	Dwight D. Eisenhower	Abilene, KS	Army.
Oct. 27	Theodore Roosevelt	Oyster Bay, NY	Navy.
Oct. 30	John Adams	Quincy, MA	Navy
Nov. 2	James K. Polk	Nashville, TN	Army.
Nov. 2	Warren G. Harding	Marion, OH	Army.
Nov. 19	James A. Garfield	Cleveland, OH	Army.
Nov. 23	Franklin Pierce	Concord, NH	Army.
Nov. 24	Zachary Taylor	Louisville, KY	Army.
Dec. 5	Martin Van Buren	Kinderhook, NY	Army.
Dec. 28	Woodrow Wilson	Washington Cathedral	Army.
Dec. 29	Andrew Johnson	Greeneville, TN	Army.

PART 239—HOMEOWNERS ASSISTANCE PROGRAM—APPLICATION PROCESSING

Sec.
239.1 Purpose.
239.2 Applicability and scope.
239.3 Objective and policy.
239.4 Procedures.
239.5 List of homeowners assistance field offices.

APPENDIX A TO PART 239—AGREEMENT, HOMEOWNERS ASSISTANCE PROGRAM AGREEMENT BETWEEN THE DEPARTMENT OF DEFENSE AND THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

AUTHORITY: Sec. 1013(f), 80 Stat. 1255, 1292; 42 U.S.C. 3301, 3302, 12 U.S.C. 1715n.

SOURCE: 33 FR 2565, Feb. 3, 1968, unless otherwise noted.

§ 239.1 Purpose.

This part establishes policy and procedures for (a) providing information on eligibility requirements and on benefits available under the Homeowners Assistance Program authorized by Pub. L. 89–754, Demonstration Cities and Metropolitan Development Act of 1966 (80 Stat. 1255, 1290) and (b) initial processing of applications for assistance under the Program.

§ 239.2 Applicability and scope.

The provisions of this part apply to all Department of Defense components. The programs encompasses DoD military and civilian personnel as well as affected personnel of other Federal agencies.

§ 239.3 Objective and policy.

(a) It is the objective of the DoD to assure that all applications for assistance under the program are given full consideration and that benefits under the program are extended to all homeowners who are determined to be entitled to assistance in accordance with applicable policies and procedures.

(b) Information on the program will be disseminated on the broadest possible basis by making full use of military and public news media and by distributing a fact sheet,[1] with an application form (DD Form 1607)[1] through military installations and offices and through other Government agencies where practicable.

(c) All possible assistance will be given to prospective applicants by explaining the program as described in the fact sheet, verifying employment or military service records, and advising in the preparation of the application form.

§ 239.4 Procedures.

(a) Pursuant to the provisions of DoD Directive 5100.54, ''Homeowners Assistance Program,'' December 29, 1967[1] the Department of the Army will establish a central office to administer, manage, and execute the program under policies and procedures prescribed by the Assistant Secretaries of Defense (Installations and Logistics) or (Comptroller). In implementing the program that office or field components thereof will take all appropriate actions, including but not limited to:

(1) Determination that a specific installation meets the requirements of Pub. L. 89–754, Demonstration Cities and Metropolitan Development Act of 1966 (80 Stat. 1255, 1290);

(2) Determination as to the eligibility of each applicant;

(3) Determine and advise as to the most appropriate type of assistance for each applicant;

(4) Determine amounts to be paid and make such payments or, when appropriate, authorize and arrange for Federal acquisition of the applicant's property; and

(5) Maintain such records and prepare such reports as may be necessary and/or required by ASD (I&L) and ASD (Comp). Field offices will be established at convenient locations throughout the United States to execute various functions of the central office as may be designated.

(b) Pursuant to the provisions of DoD Directive 5100.54, ''Homeowners Assistance Program,'' December 29, 1967[1] the Department of the Army will establish an appeals procedure and will adjudicate appeals from applicants previously determined to be ineligible for assistance as well as from those who are dissatisfied with action on their claims.

(c) Each Military Department and Defense Agency will appoint at least one representative at headquarters level to work with the central office and the Offices of ASD (I&L) and ASD (Comp) in order to insure that the operation of the program is effective insofar as that Department or Agency is concerned. Each military installation will establish liaison with the nearest field office to obtain any further guidance or assistance desired.

(d) Each Department of Defense component will be furnished an initial supply of the application form and related fact sheet for distribution on a worldwide basis. An appropriate supply thereof will be distributed to each installation having a military or civilian personnel officer and also to such other activities and establishments as recruiting offices, reserve training centers, procurement offices, radar and missile sites, quality control offices, communications stations, etc., so that each may serve as a source of information on the program. Subsequent supplies of the application form and fact sheet will be procured by each DoD component as required.

(e) Each installation or establishment not having a military or civilian personnel officer will be prepared to discuss the information contained in the fact sheet with each prospective applicant and to direct him to the nearest installation having a personnel or industrial relations officer for a more detailed explanation of the eligibility requirements and for initial processing of his application.

(f) Each installation or establishment having a military or civilian personnel

[1] Filed as part of original document.

officer will insure that such officers, or other appropriate officers or officials, are designated to:

(1) Provide information on the program in response to all inquiries, whether from prospective applicants or other interested parties. This will include explaining the purpose of the program, discussing eligibility requirements and benefits, providing copies of the fact sheet and application forms, and referring applicants to legal assistance officers for answers to questions of a legal nature.

(2) Advise applicants in filling out Parts I and II of DD Form 1607[1] (emphasizing the need for accuracy and answering all pertinent questions) and in determining what documents and other material would be acceptable as proof of homeownership and occupancy.

(i) Evidence of homeownership may include contract of sale or deed to the applicant, receipts for mortgage and tax payments, etc. as well as contract of sale or deed of conveyance from the applicant, record of foreclosure, etc. if the home has been disposed of.

(ii) Evidence of occupancy of the home by the applicant may include receipted utility bills, appointment affidavit (Standard Form 61), official correspondence or other Government forms showing the officially recognized residence address.

(iii) Documents submitted in evidence of homeownership and occupancy should be notarized or certified true copies which are complete, accurate, and legible. Certification by the applicant will be acceptable. Note that generally original copies should not be submitted because DoD cannot be responsible for the safekeeping or return of original documents.

(3) Upon receipt of a DD Form 1607[1] with Parts I and II completed, execute Part III of the form indicating the results of review of the applicant's service or employment. Official personnel records will be the only source of proof of service or employment; when such records are not available locally, they will be reviewed by reference to the National Personnel Records Center in St. Louis, to the personnel office at the applicant's current place of military service or Federal employment, or to any other office where the records are held.

(i) If the review verifies that the applicant was serving or employed after November 1, 1964, or meets prescribed exceptions to that date, the personnel officer or other appropriate official will forward to the appropriate field office the completed DD Form 1607[1] with all supporting documents, in triplicate, together with a return envelope addressed to the applicant, for use by the field office in acknowledging receipt of the application. The application will be forwarded to the field office having jurisdiction for the purpose of this program over the base or installation where the applicant was serving or employed at the time of the closure announcement. The list of States (§ 239.5), or parts thereof, covered by each field office will be used for this purpose. The map[1] may also be used as an aid in this determination.

(ii) If the review does not verify the applicant's statement of service or employment as prescribed in paragraph (f)(3)(i) of this section, the personnel officer will enter a statement to that effect in Part III of the DD Form 1607[1] giving details of any discrepancies. The form will then be returned to the applicant, who will be advised that he may forward his application, with a return envelope addressed to himself, to the appropriate field office for further review.

(iii) At the time of action under paragraph (f)(3) (i) or (ii) of this section the applicant will be informed that all future inquiries regarding his application must be directed to the field office.

(4) Each installation or establishment which is designated to perform the actions required under this paragraph (f) will maintain a chronological record of each inquiry regarding the program with appropriate notation as to disposition for submission of periodic reports as required to the nearest field office.

[1] Filed as part of original document.

§ 239.5 List of homeowners assistance field offices.

Installation ordered to be closed in whole or in part located in:	Send application to:	Map reference
Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont.	U.S. Army Engineer Division, 424 Trapelo Rd., Waltham, Mass. 02154.	1
New York, New Jersey	U.S. Army Engineer District, 1 11 East 16th St., New York, N.Y. 10003.	2
Maryland, Delaware, District of Columbia, Pennsylvania, east of and excluding McKean, Elk, Clearfield, Blair, and Bedford Counties.	U.S. Army Engineer District, Post Office Box 1715, Baltimore, Md. 21203.	3
Virginia	U.S. Army Engineer District, Fort Norfolk, 803 Front St., Norfolk, Va. 23510.	4
Georgia, North Carolina, South Carolina	U.S. Army Engineer District, Post Office Box 889, Savannah, Ga. 31402.	5
Florida, east of and excluding Leon and Wakulla Counties.	U.S. Army Engineer District, Post Office Box 4970, Jacksonville, Fla. 32201.	6
Florida, west of and including Leon and Wakulla Counties, Alabama, Mississippi, Tennessee.	U.S. Army Engineer District, Post Office Box 2288, Mobile, Ala. 36601.	7
Kentucky, Ohio, Indiana, Clark, Floyd, and Jefferson Counties only, West Virginia, Pennsylvania, west of and including McKean, Elk, Clearfield, Blair, and Bedford Counties.	U.S. Army Engineer District, Post Office Box 59, Louisville, Ky. 40201.	8
Illinois, Indiana except Clark, Floyd, and Jefferson Counties, Michigan, Minnesota, Wisconsin.	U.S. Army Engineer District, 219 South Dearborn St., Chicago, Ill. 60604.	
Colorado, Iowa, Nebraska, North Dakota, South Dakota, Wyoming.	U.S. Army Engineer District, 6012 USPO and Courthouse, 215 North 17th St., Omaha, Nebr. 68102.	10
Kansas, Missouri	U.S. Army Engineer District, 700 Federal Office Bldg., 601 East 12th St., Kansas City, Mo. 64106.	11
Arkansas, Louisiana, Oklahoma, Texas, east of and including Hardeman, Foard, Knox, Haskell, Jones, Taylor, Runnels, Concho, Menard, Kimble, Val Verde, Kinney, Maverick, Witt, Zapata, Starr, Hidalgo and Cameron Counties.	U.S. Army Engineer District, Post Office Box 17300, Fort Worth, Tex. 76102.	12
New Mexico, Texas, west of and including Lipscomb, Hemphill, Wheeler, Collingsworth, Childress, Cottle, King, Stonewall, Fisher, Nolan, Coke, Tom Greene, Schleicher, Sutton, and Terrell Counties.	U.S. Army Engineer District, Post Office Box 1580, Albuquerque, N. Mex. 87103.	13
California, south of and including San Luis Obispo, Kern, and Inyo Counties, Arizona, Nevada, Clark, and Lincoln Counties only.	U.S. Army Engineer District, Post Office Box 2711, Los Angeles, Calif. 90053.	14
California, north of and including Monterey, Kings, Tulare, and Mono Counties, Nevada, except Clark and Lincoln Counties, Utah.	U.S. Army Engineer District, 650 Capitol Mall, Sacramento, Calif. 95814.	15
Idaho, Montana, Oregon, Washington	U.S. Army Engineer District, 1519 Alaskan Way, South, Seattle, Wash. 98134.	16
Alaska	U.S. Army Engineer District, Post Office Box 7002, Anchorage, Alaska 99501.	None
Hawaii	U.S. Army Engineer District, Fort Armstrong, Honolulu, Hawaii 96813.	None

Filed as part of original document.

APPENDIX A TO PART 239—AGREEMENT, HOMEOWNERS ASSISTANCE PROGRAM AGREEMENT BETWEEN THE DEPARTMENT OF DEFENSE AND THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

ARTICLE I—INTRODUCTION

SECTION 1. Section 1013 of the Demonstration Cities and Metropolitan Development Act of 1966 (Pub. L. 89–754, enacted Nov. 3, 1966) authorizes the Secretary of Defense to provide assistance to owners of one- or two-family dwellings located at or near military installations, ordered to be closed in whole or in part subsequent to November 1, 1964, when certain determinations have been made with respect to eligibility. In certain instances this assistance may be rendered by acquiring title to the properties of such owners under terms and conditions prescribed by the statute.

SEC. 2. Section 1013(d) of the Act provides a fund for the purpose of this program, which has been established as the Homeowners Assistance Fund, Defense. Section 1013(g) authorizes the Secretary of Defense

to enter into agreement with the Secretary of Housing and Urban Development with respect to administration of the program. This agreement is executed on behalf of the Secretary of Defense by the Assistant Secretary of Defense (Installations and Logistics) pursuant to delegation of authority contained in DoD Directive 5100.54, dated December 29, 1967 (33 FR 2570) and by the Secretary of Housing and Urban Development.

SEC. 3. For the purposes of this agreement, the following definitions shall apply:

(a) *Act* means section 1013 of the Demonstration Cities and Metropolitan Development Act of 1966, Pub. L. 89–754, enacted November 3, 1966.

(b) *Secretary of Defense* means the Secretary of Defense or an officer or employee of the Department of Defense empowered to exercise any of the functions of the Secretary of Defense under the Act.

(c) *DoD* means the Department of Defense.

(d) *Secretary*, *HUD* or *HUD* means the Secretary of Housing and Urban Development or an officer or employee of the Department of Housing and Urban Development empowered to exercise any of the functions of the Secretary of Housing and Urban Development under the Act.

(e) *Corps* means the Office of the Chief of Engineers, Department of the Army.

(f) *Division/District Engineer* means either the Division Engineer of the Corps or the District Engineer of the Corps, as applicable under the circumstances, having military jurisdiction in the area in which the property is located.

(g) *FHA* means the Federal Housing Administration.

(h) *Assistant Commissioner-Comptroller* means the Assistant Commissioner-Comptroller of the Federal Housing Administration.

(i) *FHA Insuring Office* means the local insuring office of FHA having jurisdiction over the area where the property is located.

(j) *Fund* means the Homeowners Assistance Fund, Defense, established pursuant to the authority contained in section 1013(d) of the Act.

(k) *Acquired property* means property acquired pursuant to the Act.

ARTICLE II—POLICY AND OBJECTIVE

SECTION 1. As more fully set forth below, Secretary, HUD will accept custody, subject to funds made available by DoD, of property acquired pursuant to the Act and maintain, manage, and dispose of such properties on behalf of the Secretary of Defense. In the event the Fund no longer has any monies available, the Secretary, HUD may terminate this Agreement and DoD shall in that event assume custody and responsibility for all properties accepted, and mortgage payment liabilities assumed, by HUD pursuant to this agreement. It is the agreed objective that acquired properties will be held, managed and disposed of in such a way as to:

(a) Avoid further depression of local real estate market conditions in areas where the housing market is depressed, and

(b) Consistent with item (a) above and with the desirability of disposing of the properties as rapidly as feasible, seek to obtain the best possible financial return to the Fund. During the period properties are held by FHA, and when it is feasible and in the best interest of the Government, consistent with HUD/FHA policy as to Secretary, HUD-owned property in the areas acquired in the course of FHA mortgage insurance operations, properties will be rented to third parties at rates generally obtainable for comparable properties in the area.

SEC. 2. The Secretary of Defense and the Secretary, HUD will expedite action in all offices and at all levels of their organizations relative to matters that are the subject of this agreement, and each will use all available means to assure that the purposes of the Act are accomplished in accordance with the spirit and intent of the Act.

ARTICLE III—ACQUISITION AND ASSUMPTION OF CUSTODY

SECTION 1. As to properties acquired by the Corps under this Act, acquisition will be accomplished by the Division/District Engineer, who will negotiate with the owner as to terms, will effect the closing, and will pay to the property owner such sums as may be due to him. The Division/District Engineer will obtain a merchantable title to the property which meets the title requirements of the Attorney General of the United States.

SEC. 2. HUD/FHA, on behalf of the Fund, will assume custody of properties acquired as of the date that title in the property vests in the United States, for the purpose of holding, managing, renovating, renting, and disposing of said properties. The District/Division Engineer will file the deed for record promptly upon title vesting in the United States, and on the same date will notify the FHA insuring office of the acquisition, using FHA Form 1174,[1] Notice of Military Acquisition, copy attached hereto and made a part hereof, and will on the same date forward the keys to the property and any other data concerning the property which is requested by FHA to the FHA insuring office. The original and two copies of FHA Form 1174, completely executed, will be forwarded to the FHA insuring office for each property acquired. The FHA insuring office will assign an FHA identification number to the property, insert this identification number on one copy of Form 1174 and promptly return this copy to the Division/District Engineer.

[1] Filed as part of original document.

SEC. 3. Properties acquired pursuant to the Act shall be conveyed to, and acquired in the name of, the United States. Title to the properties shall be of sufficient quality and standard as to be readily merchantable in the locality. Encumbrances that do not affect the merchantability of the properties, such as easements for roads and utilities will not be required to be cleared from the title. In the event HUD/FHA determines that there is any encumbrance to title which, under local custom and legal procedures of the situs of the property, would preclude or diminish HUD/FHA's ability to dispose of the property, it is agreed that HUD/FHA may remove the encumbrance and that the costs of such removal will be borne by the Fund. In those instances where a defect in title is discovered, the Fund will be responsible for the cost of curing said defect.

SEC. 4. As a prerequisite to acquisition of the property, the Division/District Engineer will procure adequate title evidence covering the property and will have the title evidence continued through the date and time of recording the deed to the United States. When the opinion of the Attorney General approving the title has been received, the Division/District Engineer will transmit same by FHA Form 1175,[1] Transmittal of Recorded Deed and Title Assembly, copy attached hereto and made a part hereof, together with the recorded deed and other muniments of title, to the FHA Assistant Commissioner-Comptroller at his offices in Washington, D.C.

SEC. 5. Where title to a property is acquired subject to the existing mortgage, the Government will assume and agree to pay said mortgage in accordance with the terms of the mortgage. The mortgage will not be prepaid unless HUD/FHA determines that prepayment is mandatory to enable HUD/FHA to effectively manage and dispose of the property.

SEC. 6. Any mortgage, other than a first mortgage, which is assumed by the Government pursuant to the Act, will be paid off as a part of the closing of the purchase transaction. All mortgage arrears existing with respect to the first mortgage will be brought current at the time of the property acquisition. If HUD/FHA ascertains that mortgage arrears have not been brought current, HUD/FHA is authorized to make the necessary payment to restore the mortgage account to a current condition and the Fund will bear the costs of same.

SEC. 7. Possession of acquired properties will normally be obtained at the time title is vested in the United States and at the time FHA Form 1174 is forwarded to HUD/FHA. Properties will be delivered vacant to FHA, except in the following circumstances:

(a) HUD/FHA will accept custody of a property occupied under a lease which cannot be terminated and has an unexpired portion of less than 1 year provided all payments due under the lease are current, and provided, further, that the lessee will waive any right to exclusive extension of the lessee, other than month-to-month occupancy.

(b) Owners or tenants, on a month-to-month basis, of acquired properties may be permitted a 30-day period following acquisition of title in the name of the United States to vacate the property.

(c) Upon agreement with the Director of the FHA insuring office, HUD/FHA will accept custody of properties occupied under leases in excess of a year's duration.

SEC. 8. In cases where properties are acquired subject to existing leases, the leases must be assigned and transferred to the United States. Such leases will be delivered to the FHA insuring office with FHA Form 1174. All costs of eviction incurred by HUD/FHA will be reimbursed by the Fund. Except in cases involving a lease in which the unexpired portion is less than 1 year, no agreement shall be entered into with owners or occupants of properties to be acquired concerning their continued occupancy in the property without prior written approval of the Director of the FHA insuring office and the tenure of any occupancy will be entirely at the option of the FHA insuring office.

SEC. 9. The Government will normally be a self-insurer of acquired properties and hazard insurance will be cancelled by HUD/FHA as soon as possible after passing of title. Any unearned premium will be the property of the former owner who will be responsible for claiming same from the insurer. The Department of Defense understands that the decision as to whether or not hazard insurance must be carried is that of the mortgagee and HUD/FHA must abide by the requirements of the mortgagee. In the event the mortgagee, pursuant to the terms of the mortgage, requires that hazard insurance be carried, HUD/FHA will obtain a hazard insurance policy on the property in an amount sufficient to comply with the mortgage. In the event hazard insurance is obtained, HUD/FHA will pay for such insurance and will be reimbursed from the Fund.

ARTICLE IV—MAINTENANCE, MANAGEMENT AND DISPOSAL

SECTION 1. To the extent not inconsistent with the provisions of this Agreement, HUD/FHA will maintain, manage, renovate, rent, sell, and dispose of the acquired properties in the same manner and under the same procedures as are used by HUD/FHA for properties acquired pursuant to FHA insurance contracts. HUD/FHA will give neither advantage nor disadvantage insofar as sale or other activity is concerned to properties acquired pursuant to this Agreement. HUD/FHA will treat such properties in the same manner as

properties acquired pursuant to FHA insurance contracts. HUD/FHA is hereby authorized to repair, renovate, restore, or take any protective maintenance deemed necessary by HUD/FHA insofar as any property covered by this Agreement is concerned. The terms of rental, sale for cash or credit or by assumption of the existing mortgage, or by other means of disposal of any property covered by this Agreement which is contracted for or otherwise entered into by FHA shall be final.

SEC. 2. While any acquired property is under HUD/FHA's custody, payments in lieu of taxes will be made by the FHA Assistant Commissioner-Comptroller to local taxing authorities in amounts equivalent to the taxes which would be payable were the properties in private hands, except when the Government is making expenditures for streets, utilities or other public services. In such cases, the Division/District Engineer will advise the FHA Assistant Commissioner-Comptroller of such expenditures and specify what allowances are to be deducted. It shall be the responsibility of the Division/District Engineer to advise the FHA Assistant Commissioner-Comptroller in such cases sufficiently prior to the time that the Assistant Commissioner-Comptroller makes payment of any tax bill received by FHA on acquired properties. In the event that such notice is not received from the Division/District Engineer by such time, the Assistant Commissioner-Comptroller may pay the amount of the net tax bill without penalties.

SEC. 3. This agreement contemplates that disposal of the properties will be accomplished by the financing arrangements available to HUD/FHA and beneficial to DoD. The following financial arrangements will generally be used and FHA will be guided by the same considerations that govern FHA sales of its properties:

1. Sale of the property for cash or through the use of a conventional uninsured mortgage.

2. Sale of the property providing for assumption of the existing mortgage indebtedness by the buyer or sale of the property subject to the existing mortgage indebtedness.

3. Sale of the property by use of FHA's insured private financing program or FHA's instant FNMA closing program if available.

4. Sale of the property by use of a purchase money mortgage taken by the Secretary, Department of Housing and Urban Development. In those cases where an existing mortgage is assumed and the assumptor subsequently defaults, the Fund will be responsible for all costs, expenses or losses sustained by HUD/FHA in satisfying the Government's liability on the mortgage. In the event it is advantageous to the Government to sell by assumption and the sales price is less than the outstanding mortgage balance, the Fund shall be responsible for the money which is required to reduce the outstanding principal balance of the mortgage. When, in order to facilitate the sale of acquired properties, FHA insures the mortgage, the Fund will be responsible for all expenses incurred by FHA on the first sale, including losses in connection therewith, as computed by the FHA Assistant Commissioner-Comptroller.

ARTICLE V—FINANCING, ACCOUNTING, AND REPORTING

SECTION 1. The Corps will furnish to HUD/FHA by June 1 of each year an estimate of the number of housing units expected to be acquired and transferred to HUD/FHA during the succeeding fiscal year and those during the following budget year. The estimates will show the number of housing units, FHA insuring office jurisdiction, estimated average monthly principal and interest payments and expected quarterly phasing of transfer to FHA.

On August 1 of each year HUD/FHA will submit a budget estimate to the Corps setting forth the estimated financial requirements for the activities that FHA is to perform for the Secretary of Defense pursuant to the terms of this agreement covering the then current fiscal year and the following budget year. The estimate, in terms of obligations/expenditures, should be by FHA insuring office jurisdiction and in the same cost categories as maintained in the automatic tape record as set forth in Article V, section 2, for each acquired property and as included in the monthly reimbursement request set forth in Article V, section 3, for all other expenses. On May 1 of each year FHA will furnish to the Corps in the same format as the August 1 statement an updated estimate of obligations/expenditures then estimated to be incurred in the succeeding fiscal year.

Based on the estimated financial requirements, in consonance with budgetary and appropriation actions, the Corps will issue to FHA on July 1 of each year a reimbursable order including an obligation/expenditure limitation as to the amount which the FHA may, on a net basis, obligate/expend in anticipation of reimbursement from the Fund for that fiscal year. FHA will promptly advise the Corps whenever it determines that the performance of its responsibility under this Agreement requires any adjustment, together with an estimate and explanation of the changes needed so as to permit the continued effective operation of the program as contemplated under this agreement. The Corps of Engineers will arrange to provide for the necessary adjustment within its authority. Where this is unfeasible the Corps of Engineers will submit the requirement promptly to the Secretary of Defense. The Secretary of Defense will either provide the additional resources required or will directly

advise FHA as to the course of action necessary to be taken pending the availability of additional resources.

SEC. 2. The FHA will maintain in its automated tape records an account for each acquired property. The account will separately identify each of the following:

(a) The FHA identification number, which will be assigned by the FHA insuring office. The Corps will be advised of the FHA identification number on the copy of the FHA Form 1174 returned to the Corps per Article III, section 2.

(b) Property address, entered by the Corps on the FHA Form 1174 within the space allotted in ADP records.

(c) Outstanding mortgage balance at acquisition.

(d) Property acquired. Contra to (c) above, this will be established in the same amount and will offset the outstanding mortgage balance. In the event a property is sold with the purchaser assuming the mortgage or with FHA taking a purchase money mortgage the outstanding balance assumed by the purchaser or the amount of the purchase money mortgage accepted will be recorded as a reduction of the amount originally established.

(e) Principal payments including prepayments of the entire balance when necessary by FHA on the mortgage.

(f) Interest payments by FHA on the mortgage.

(g) Payments in lieu of taxes and insurance payments by FHA. The Corps will notify FHA on the FHA Form 1174 of Escrow Accounts retained by the mortgagee.

(h) Maintenance and operating expenses paid by FHA including any special payments for evictions and removal of title impediments. Direct expense transactions of $100 or more will be a direct charge to the affected property account. All other expenses, generally derived from net settlements with brokers, made pursuant to FHA 2570 Accounting Manual for Acquired Properties, as may be amended from time to time, will be prorated monthly to all home properties in FHA's inventory, including those acquired pursuant to this agreement. Net settlement means expenses paid by brokers less rental collections.

(i) Sales expenses paid by FHA which will be for sales, closing costs, and discount on notes.

(j) Net FHA incurred expense, which will be the net total of amounts recorded in items (e) through (j) of this section.

(k) Gross Sales Price agreed to by FHA. This is not the same as cash proceeds which will be reported separately by FHA.

(l) Net Expense or Collection on Sold Properties, which will be the gross sales price less adjustments to item (d) of this section less item (j) of this section.

(m) A Corps' furnished base identification and homeowner classification code consisting of 7 digits (2 digits for State code and 4 digits for installation number plus the number ''2'' for civilian or the number ''1'' for military homeowner).

SEC. 3. FHA will furnish to the Corps the following reports:

(a) Monthly, no later than 30 working days after the end of each calendar month the FHA Form 1131, ''Acquired Home Property, Maintenance Phase Trial Balance,'' showing separate totals to date for items (c) through (l) of Article V, section 2, for each FHA identification number.

(b) Monthly, no later than 30 working days after the end of each calendar month a statement supporting an SF 1080 billing setting forth the following:

(1) Net change in FHA expenses for acquired properties as reported on the current and prior month, Article V, section 3, item (a) reports, separately for ''on hand'' and for ''sold'' properties.

(2) Sales proceeds, which will be detailed by the gross sales price agreed to by FHA less amount of mortgages assumed by buyers less purchase money mortgages accepted by FHA.

(3) Principal and interest collections separately on purchase money mortgages.

(4) FHA insuring office expenses directly related to this agreement, developed on basis of reports received in accordance with FHA Manual, Field Expense and Performance Handbook, as may be amended from time to time. This item will be supported by a schedule showing total expenses incurred by each FHA insuring office.

(5) FHA Headquarters expenses directly related to this agreement developed on basis of reports received in accordance with FHA Manual, Departmental Expenses and Performance Handbook, as may be amended from time to time.

(6) HUD departmental level expenses directly related to this program which will include Automatic Data Processing (ADP) services, printing and some other minor expenses, which in the judgment of FHA are appropriately chargeable under this Agreement. ADP services will include the cost of magnetic tapes furnished the Corps under Article V, section 3, item (c) and Article V, section 4, and personal service costs.

Personal service costs included in items (4), (5), and (6) will be limited to those directly related to this program on the basis of time worked and will consist of salary cost plus FICA and the Government contribution for health benefits, life insurance, and retirement funds. An additional 15.9 percent of this total will be added to cover the cost of earned annual leave, sick leave taken, and holiday leave.

(7) Amount due FHA from the Fund or amount due the Fund from FHA.

(c) Quarterly, not later than 30 working days after the end of each calendar quarter a

duplicate of the FHA automated tape record for all acquired properties.

SEC. 4. Whenever FHA determines that they do not plan to offer properties for sale within 12 months after acquisition, the FHA will so advise the Secretary of Defense, with the expected prospects for such disposition. The Secretary of Defense will consult with the FHA on alternative means of disposal in such cases where such alternatives are considered feasible.

SEC. 5. FHA will not drop closed cases for properties acquired pursuant to the Act from the automated tape records except by special agreement with the Corps, at which time a duplicate of FHA's automated tape record of such cases will be furnished to the Corps.

SEC. 6. It is agreed and understood that, in performing the accounting and reporting operations set out herein, FHA will accomplish the objectives using its existing automated data processing routines and programs, and that no special programming or detailed printouts will be required from FHA.

SEC. 7. The Corps, within 6 working days after receipt of a monthly statement indicating an amount due FHA, will reimburse FHA by check for the amount shown on the statement. The check will be made payable to the Federal Housing Administration and will be forwarded to the FHA Assistant Commissioner-Comptroller.

SEC. 8. In those instances where the statement indicates an amount due the Fund, a check payable to the Homeowners Assistance Fund, Defense, for such amount will accompany the monthly statement submitted to the Corps by FHA.

SEC. 9. The following FHA issuances and changes thereto will be furnished to the Corps:

(a) FHA 2750, Accounting Manual for Acquired Properties;

(b) FHA Manual, Field Expense and Performance Handbook;

(c) FHA Manual, Departmental Expense and Performance Handbook.

SEC. 10. FHA will maintain a separate document file for each acquired property. The file will contain at least the FHA Form 1174 and FHA Form 1175 and attachments thereto.

ARTICLE VI—FINALITY OF ACTION

SECTION 1. This agreement embodies the full understanding of the Department of Defense and the Department of Housing and Urban Development concerning their responsibilities and it is understood that all decisions made and all actions taken by HUD/FHA within the terms of this agreement with respect to all aspects of clearing impediments of title, prepayment of mortgages, eviction of occupants, prepayment of hazard insurance coverage premiums, and all other matters relating to the maintenance, management, renovation, rental, sale, or other disposal of properties and the selection and use of brokers shall be final and conclusive as fully as if made or taken by the Secretary of Defense.

ARTICLE VII—DELEGATION OF AUTHORITY

SECTION 1. The Secretary of Housing and Urban Development is hereby authorized, with respect to acquired properties, to acquire title to, hold, manage, sell for cash or credit by taking a purchase money mortgage in the name of the Secretary of Housing and Urban Development, and, in connection therewith, to execute deeds of conveyance and all other instruments necessary to fulfill the purposes of section 1013 of the Demonstration Cities and Metropolitan Development Act of 1966 (Pub. L. 89–754, enacted Nov. 3, 1966), to issue rules and regulations and to make any or all determinations and to take any or all further actions in connection with acquired properties which the Secretary of Defense is authorized to undertake pursuant to the provisions of the Act. The Secretary of Housing and Urban Development is further authorized to redelegate any of the functions, powers and duties delegated herein to officers and employees of HUD and to authorize successive redelegations.

[34 FR 18031, Nov. 7, 1969]

PART 240—CRITERIA AND PROCEDURES FOR PROVIDING ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES

Sec.
240.1 Purpose.
240.2 Applicability and scope.
240.3 Definitions.
240.4 Policy.
240.5 Responsibilities.
240.6 Procedures.

APPENDIX A TO PART 240—SAMPLE LETTER OF APPLICATION FOR FINANCIAL ASSISTANCE

AUTHORITY: Department of Defense Appropriations Act, 1991, Title II (Pub. L. 101–511, 104 Stat. 1860); 10 U.S.C. 113(d).

SOURCE: 56 FR 28821, June 25, 1991, unless otherwise noted.

§ 240.1 Purpose.

This part establishes policy, assigns responsibilities, and prescribes procedures under Title II of Pub. L. 101–511 for the Department of Defense to provide financial assistance to the LEAs that are heavily impacted by the military presence.

§240.2 Applicability and scope.

This part applies to:

(a) The Office of the Secretary of Defense (OSD).

(b) The schools operated by the LEAs providing free public education to dependent children of Armed Forces members or DoD civilian personnel who reside on Federal property.

§240.3 Definitions.

(a) *Applicant.* Any LEA whose ADA military section 3(a) and section 3(b) students equals at least 35 percent of its total ADA and that submits a letter of application to the Department of Defense; files an application for financial assistance; has received, or shall receive funds under section 3 of the Impact Aid Program; and submits documents and forms required by §240.4(c)(5) (i) through (iii) of this part.

(b) *Current expenditures.* Expenditures for free public education, including expenditures for administration, instruction, attendance and health services, public transportation services, operation and maintenance of plant, fixed charges, and net expenditures to cover deficits for food services and student body activities, but not including expenditures for community services, capital outlay, debt service, or any expenditures made from funds under Public Law No. 89–10, title I. See the amended definition of ''current expenditures'' in Public Law No. 100–297 (1988).

(c) *DoD Contribution.* The amount of financial assistance an applicant shall receive under Public Law No. 101–511, title II.

(d) *Federal property.* Real property that because of Federal law, agreement, or policy is exempt from taxation by a State or political subdivision of a State and that the United States owns in fee simple or leases from another party.

(e) *Local Education Agency (LEA).* A public organization (usually a school district) that has the authority to operate public schools within the limits of the applicable State law.

(f) *Military personnel.* A person who is an Armed Forces member serving on active duty.

(g) *Military 3(a) student.* A child who attends the school(s) of a LEA that provides free public education and who, while attending such school(s) of the LEA, resides on Federal property and has a parent who is on active duty in the Armed Forces (as defined in section 101 of 10 U.S.C.).

(h) *Military 3(b) student.* A child who attends the schools of a LEA that provides a free public education and who, while attending such school(s), has a parent who is on active duty in the Armed Forces (as defined in 10 U.S.C. 101) but does not reside on Federal property.

(i) *Parent.* The lawful father or mother of a person.

(j) *Per-Pupil Expenditure (PPE).* The average current expenditure for an individual student.

§240.4 Policy.

It is DoD policy that:

(a) During fiscal year (FY) 1991, the Department of Defense shall obligate 10 million dollars to assist the LEAs that meet criteria in paragraph (c) of this section. Of this 10 million dollars:

(1) Eight hundred and eighty-six thousand dollars shall be provided to the Killen, Texas, Independent School District.

(2) One hundred and sixty-seven thousand dollars shall be provided to the Copperas Cove, Texas, Independent School District.

(3) The remaining 8,947,000 dollars shall be used only to assist the eligible LEAs operating schools that provide free public education to dependent children of Armed Forces members of DoD civilian personnel who:

(i) While attending those schools, reside on Federal property.

(ii) Without such additional assistance, are unable to provide a level of education for such dependents equal to the comparable level of education provided in the State where such dependents reside.

(b) The OSD shall consult with the Office of the Secretary of Education before providing financial assistance to the LEAs.

(c) To be eligible for financial assistance:

(1) The LEA must be unable, without such additional assistance, to provide a level of education for such students equal to the comparable level of education provided in the State where

such students reside (as determined by comparable student data).

(2) The LEA has in school year (SY) 1990–1991 an average daily attendance (ADA) of military section 3(a) or 3(b) students (see § 240.3 (g) and (h)) or a combination of military section 3(a) and 3(b) students that is not less than 35 percent of the LEA's total ADA. At least two students attending the LEA must be the dependents of Armed Forces members or of DoD civilian personnel. (For the purposes of this section, the Department of Defense shall rely on ADA data from the U.S. Department of Education (DoED)).

(3) For the prior and current FYs, the LEA has applied for and received, or shall receive, financial assistance from all regular Federal and State educational aid programs available to it, including the Impact Aid Program (Pub. L. No. 81–874, Section 3).

(4) The eligibility of the LEA under State law for State aid for free public education, and the amount of that aid, is no different than the eligibility and amounts received by the LEAs without military dependent students.

(5) The LEA files the following with the Assistant Secretary of Defense (Force Management and Personnel (ASD (FM&P)):

(i) A letter of application (see appendix A to this part).

(ii) One original and two copies of table 8–3 and table 9, which are published by the DoED, from the following forms:

(A) ED Form 4019 (Revised 8/90 Page 8), ''Fiscal Report For Sections 2, 3(d)(2)(B), and 3(d)(3)(B)(ii) Payment Purposes.''

(B) ED Form 4019 (Revised 8/90 Page 9), ''Financial Burden and Effort Data.''

(iii) A copy of an independently audited financial report of the applicant LEA for the second preceding FY.

(d) The eligible LEAs shall receive financial assistance only for those students who are dependent children of military personnel residing on Federal property while attending a school of the applicant LEA.

(e) Applications for financial assistance, under paragraphs (a)(1) through (a)(3)(iii) of this section must be received no later than June 30, 1991.

(f) The amount of assistance (the DoD contribution) for the eligible LEAs may not exceed the amount derived from the following formula:

(1) Of the 10 million dollars available:

(i) Eight hundred and eighty-six thousand dollars shall be provided to the Killeen, Texas, Independent School District.

(ii) One hundred and sixty-seven thousand dollars will be provided to the Copperas Cove, Texas, Independent School District.

(iii) Of the 8,947,000 dollars remaining:

(A) Amounts of 6,531,310 dollars shall be obligated to those eligible LEAs, whose per-pupil expenditure (PPE) for the second preceding FY was less than the average PPE in the State for the second preceding FY.

(B) Amounts of 2,415,690 dollars shall be obligated to those eligible LEAs, whose PPE for the second preceding FY was equal to, or greater than, the average PPE in the State for the second preceding FY. (For the purposes of this section, the Department of Defense will rely on PPE data from the DoED.)

(2) For those eligible LEAs, whose average PPE for the second preceding FY was less than the average PPE in the State for the second preceding FY, the LEA shall receive an amount, as follows:

(i) Equal to the LEA's military section 3(a) ADA for SY 1990–1991.

(ii) Multiplied by the quotient of the funds available to those LEAs, whose PPE for the second preceding FY was less than the average PPE in the State for the second preceding FY (6,531,310 dollars).

(iii) Divided by the sum of the ADAs for SY 1990–1991 of military section 3(a) students of those same eligible LEAs.

(3) For those eligible LEAs, whose average PPE for the second preceding FY was equal to, or greater than the average PPE in the State for the second preceding FY, the LEA shall receive an amount, as follows:

(i) Equal to the LEA's military section 3(a) ADA for SY 1990–1991.

(ii) Multiplied by the quotient of the funds available to those LEAs, whose PPE for the second preceding FY was equal to, or greater than, the average

PPE in the State for the second preceding FY (2,415,690 dollars).

(iii) Divided by the sum of the ADAs for SY 1990–1991 of military section 3(a) students of those same eligible LEAs.

(4) The sum of the ADAs for SY 1990–1991 for the military section 3(a) students in Killeen, Texas, Independent School District, and the Copperas, Texas, Independent School District, shall:

(i) Be deducted from the sum of the ADAs for SY 1990–1991 for the military section 3(a) students of all the eligible LEAs.

(ii) Not be used in calculating the DoD contribution.

(5) The LEAs that have been identified in Public Law No. 101–511, title II, shall receive the specified amount, but shall not be eligible for additional funding under paragraphs (f)(1)(i) through (iii) of this section.

(6) The ASD (FM&P) shall calculate the proposed contribution.

(g) The contribution may be used for all students in the LEA, at the discretion of the appropriate officials in the LEA.

§ 240.5 Responsibilities.

(a) The *Assistant Secretary of Defense (Force management and Personnel)* shall:

(1) Ensure the implementation of those policies and procedures.

(2) Provide assistance, as required, to the potentially eligible LEAs to meet the requirements in § 240.4(c)(5)(i) through (iii) of this part.

(b) The *General Counsel of the Department of Defense* shall provide legal advice for the implementation of this part.

§ 240.6 Procedures.

(a) An applicant requesting assistance under those criteria for FY 1991 in § 240.4(c) (1) through (4) of this part, shall submit the following:

(1) A letter of application (see sample in appendix A to this part).

(2) One original and two copies of table 8–3 and table 9, which are published by the DoED, from the following forms:

(i) ED Form 4019 (Revised 8/90 Page 8), ''Fiscal Report For Sections 2, 3(d)(2)(B), and 3(d)(3)(B)(ii) Payment Purposes.''

(ii) ED Form 4019 (Revised 8/90 Page 9), ''Financial Burden and Effort Data.''

(3) A copy of an independently audited financial report of the applicant LEA for the second preceding FY, requesting a contribution and ensuring the ADS(FM&P) that the LEA has applied for, has received, or shall receive all financial assistance from other sources for which it is qualified.

(4) The letter of application to the following address:

Assistant Secretary of Defense (Force Management and Personnel) Washington, DC 20301–4000.

(b) The applicant shall file a copy of the letter of application for financial assistance and required supportive information with the State educational agency (SEA). The SEA may submit comments on the LEA's application to the Department of Defense (at the address in § 240.6(a) of this part), by July 15, 1991. Such comments shall be considered, when applications are reviewed by the OSD.

(c) The application and all required supporting information must reach the ASD(FM&P) no later than June 30, 1991.

APPENDIX A TO PART 240—SAMPLE LETTER OF APPLICATION FOR FINANCIAL ASSISTANCE

Assistant Secretary of Defense (Force Management Personnel), Washington, DC 20301–4000

Dear Mr. Assistant Secretary:

Pursuant to title II of Public Law 101–511, ''Department of Defense Appropriations Act,'' November 5, 1991, the (name of the local educational agencies (LEA)) requests financial assistance for the LEA for school year 1990–1991.

We certify that the LEA has applied for financial assistance from all sources, including the State of (name). We understand that funds available for that purpose shall be paid on a per-pupil basis for military section 3(a) students only. Enclosed find an original, and two copies, of tables 8–3 and 9 from the ''Application For School Assistance in Federally Affected Areas,'' published by the U.S. Department of Education, and a copy of our independent audit ''(title)'' prepared by (name of firm or agency). We have submitted a complete and timely application for section 3 impact aid assistance to the Secretary of Education. A copy of this letter, with the above supporting information, is being submitted to the State educational agency.

Sincerely,

(Authorized LEA Official)

PART 242—ADMISSION POLICIES AND PROCEDURES FOR THE SCHOOL OF MEDICINE, UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES

Sec.
242.1 Purpose.
242.2 Applicability.
242.3 Definitions.
242.4 Policies.
242.5 Admission procedures.
242.6 Central point of contact.
242.7 Responsibilities.
242.8 Academic, intellectual, and personal requirements for admission to the first-year class.
242.9 Academic, intellectual, and personal requirements for admission to advanced standing.
242.10 Effective date and implementation.

AUTHORITY: 10 U.S.C. 2112, et seq. Pub. L. 92–426.

SOURCE: 41 FR 5389, Feb. 6, 1976, unless otherwise noted.

§ 242.1 Purpose.

This part establishes policies and procedures and assigns responsibilities for the selection of entrants to the School of Medicine of the Uniformed Services University of the Health Sciences (DoD Directive 5105.45, ''Uniformed Services University of the Health Sciences,'' April 16, 1974).[1]

§ 242.2 Applicability.

This part applies to the Office of the Secretary of Defense, the Military Departments, the Uniformed Services University of the Health Sciences (USUHS), and the Department of Defense Medical Examination Review Board (DoD MERB).

§ 242.3 Definitions.

As used herein, the following definitions apply:

(a) *Uniformed Services.* As used herein, means the Army, Navy, Air Force, Marine Corps, and the Commissioned Corps of the Public Health Service.

(b) *Military Personnel.* For purposes of this Directive, ''Military Personnel'' shall include the following:

(1) Individuals currently on (or on orders for) active duty for a period of 90 days or more in any of the three Military Departments.

(2) Reserve component personnel enrolled in the Armed Forces Health Professions Scholarship Program.

(3) Persons enrolled in scholarship ROTC or advanced (junior-senior level) nonscholarship ROTC.

(4) Individuals in attendance at any of the three Military Department Service Academies.

(c) *Federal-duty obligation.* The obligation to serve on active duty in the Army, Navy, Air Force, or the Commissioned Corps of the Public Health Service.

(d) *The program.* Means the Medical School program of the Uniformed Services University of the Health Sciences.

(e) *Member of the program.* An individual who is enrolled in the School of Medicine of USUHS.

(f) *Accredited institution.* A college, university, or institution located in the United States or Puerto Rico or Canada, and accredited by an accrediting agency or association that is recognized for such purpose by the U.S. Commissioner of Education. Included within this definition are those institutions which are in the process of seeking accreditation and currently have provisional or conditional accreditation, or candidacy status for accreditation, based solely on the newness of the institution.

(g) *Medical college admission test.* A nationally standardized examination, administered by the American Medical College Testing Program, which is designed to measure general and specific aptitude for medical studies.

§ 242.4 Policies.

(a) The School of Medicine, USUHS, shall consider applications for admission from persons who:

(1) Are citizens of the United States;

(2) Are at least 18 years old at the time of matriculation, but have not become 28 years old as of June 30 in the year of admission. However, any student who has served on active duty in the Armed Forces may exceed the age

[1] Filed as part of original. Copies available from Naval Publications and Forms Center, 5801 Tabor Avenue, Philadelphia, Pa. 19120, Attn: Code 300.

limitation by a period equal to the time served on active duty provided that student has not become 34 years old by June 30 in the year of admission.

(3) Are not under 18 years of age at time of entry to the first-year class;

(4) Are of good moral character;

(5) Meet the physical qualifications and security requirements for a Regular commission in the Uniformed Services.

(i) Standards of medical fitness for commissioning in the Uniformed Services shall be chapter 5, AR 40–501[2] except for eyes and vision which shall be as prescribed in paragraphs 2–12 and 2–13, chapter 2.

(ii) Security requirements for commissioning in the Military Departments are prescribed in DoD Directive 5200.2.[3]

(6) Meet the academic, intellectual, and personal qualifications specified in §§ 242.8 and 242.9.

(7) Are motivated to pursue a medical career in the Uniformed Services;

(8) Are not otherwise obligated or committed for service in the Army, Navy, Air Force or Marine Corps as a result of current or prior participation in programs of study or training sponsored by these Military Services. (Unless specifically prohibited by law or Department of Defense policy, individuals may be permitted to interrupt sponsored training programs and/or associated service commitments for the purpose of entering the School of Medicine, at the discretion of the appropriate Military Department sponsor. See also paragraph (e) of this section on obligated service requirements.)

(b) In making admissions decisions, the School will adhere to the principle of equal educational opportunity for all. Sex, race, religion, national origin, marital status, and State of residence shall not be factors influencing the selection process. Aspirants seeking entrance shall be judged strictly on merit, in terms of demonstrated aptitude, motivation, and potential for succeeding in medicine, both academically and professionally. Only the most promising and best qualified of the applicants shall be accepted for admission.

(c) While enrolled in School, students shall serve on active duty as Reserve commissioned officers (Medical Officer Candidates), pay grade O–1, in one of the Uniformed Services, the Uniformed Service of assignment to be determined under procedures established by the Secretaries of the Military Departments and the Assistant Secretary of Defense Health Affairs in coordination with the President of the University. Applicants' preferences shall be honored to the extent possible in making Service assignments. However, to insure that the makeup of each entering class is equitably constituted, students shall be assigned proportionally to the three Military Departments, based on projected end strengths of the individual Medical Corps at time of graduation. Students shall not be counted against any prescribed Service strengths while in School. Individuals admitted to the School of Medicine holding Regular commissions must resign their Regular appointments to enter the School.

(d) Upon satisfactory completion of the medical school program, graduates shall, if qualified, be tendered Regular Medical Corps appointments, unless otherwise covered under 10 U.S.C. 2115.

(e) Graduates of the School shall incur a Federal active-duty obligation of 21 months for each year or portion thereof spent in medical training, except that in no case will the minimum obligation be less than 27 months. Except as law or Department of Defense policy otherwise prescribes, this obligation shall be served consecutively with any other active-duty obligation.

(f) If dropped from the School for deficiencies in conduct or studies, or for other reasons, the student shall immediately be referred for disposition to the appropriate Military Department, which shall have the prerogative of either:

(1) Requiring the individual to fulfill his incurred service obligation, as stated in the Uniformed Services Health Professions Revitalization Act of 1972 (10 U.S.C., 2101 et seq.), by performing

[2] Army standards of medical fitness will be used as agreed to by the Secretaries of the Military Departments. AR 40–501 filed as part of original. Copies available at the Army Publications Counter, Rm 18928, The Pentagon, Washington, D.C. 20310.

[3] See footnote 1 to § 242.1.

duty in some appropriate capacity, as determined by the Secretary of the Military Department concerned. (In no case shall any such member be required to serve on active duty for any period in excess of a period equal to the period he participated in the program, except that in no case may any such member be required to serve on active duty less than one year.); or

(2) Waiving the individual's incurred service obligation, if that action would be in the best interests of that Service. (Such relief, though, shall not relieve the individual from any other active-duty obligation imposed by established law.) Individuals whose service obligation is waived may, at the discretion of the Secretary of the Military Department concerned, be required to reimburse the Government for all or a part of the tuition and other educational costs incurred. However, a member of the program may not be relieved of his Service obligation solely because he is willing and able to reimburse the Government for all educational expenses.

(g) Periods of time spent in sponsored graduate medical education shall not count toward satisfying the medical school Federal-duty obligation.

[54 FR 31335, July 28, 1989]

§ 242.5 Admission procedures.

(a) *Application*—(1) *Civilians.* Civilians seeking admission to the School of Medicine shall make direct application following instructions published in the School catalog. These applications shall include an indication of Service preference(s).

(2) *Military personnel.* Formal application requirements shall be the same as those for civilians except that military personnel shall be required to have approval, in writing, from the Secretary of the Military Department concerned or his designee prior to submitting formal application to the School of Medicine for admission. The individual concerned shall initiate the request for approval to apply through appropriate Service channels. The Secretaries of the Military Departments, or their designees, shall consider the criteria in § 242.4(a) (1) through (5) and paragraph (a)(8) of that section as the basis for approving/disapproving such requests. An information copy of each approval shall be forwarded to the School of Medicine, USUHS, Attn: Assistant Dean for Academic Support. The School of Medicine shall not process a military person's application until official approval is received from the Military Department concerned.

(b) *Conditional selection of candidates for admission.* The School of Medicine shall review all applications and conditionally select candidates to fill available class spaces. Those conditionally selected shall be the best qualified applicants, based on aptitude, intelligence, maturity, personality, emotional stability, diligence, stamina, enthusiasm, motivation, and other relevant factors, consistent with the practices followed by other professional training institutions.

(1) *Civilian selectees.* The School of Medicine shall ensure that civilian selectees meet the eligibility criteria in § 242.4(a) (1) through (4), paragraph (a) (6) and (7) of that section.

(2) *Military selectees.* Military Departments are required to screen and approve their personnel for criteria in § 242.4(a) (1) through (5), and paragraph (a)(8) of that section before they apply for admission. The School of Medicine shall ensure that all military selectees meet the eligibility criteria of § 242.4 (6) and (7).

(c) *Notification of conditional selection for admission.* The School of Medicine shall notify selectees in writing of their conditional selection for admission, with the stipulation that it is subject to review and confirmation by the Service in which selectees are assigned to serve.

(d) *Confirmation of selectees.* (1) The names and relevant credentials of selectees shall be referred by the School of Medicine to the Secretaries of the Military Departments or their designees. An informational copy of this action will be provided to the Assistant Secretary of Defense Health Affairs.

(2) The Secretaries, or their designees, shall initiate necessary actions (records checks, physical examinations, and National Agency Checks, as required, consistent with § 242.4(a)(5)) to determine whether or not the selected candidates are acceptable for

commissioning. (Physical examinations for military personnel, if required, shall be performed at the individual's supporting military medical facility and reviewed by the Department of Defense Medical Examination Review Board (DoDMERB). Physical examinations for civilians shall be scheduled and reviewed by the DoDMERB, in accordance with the procedures and policies that agency establishes.) Secretaries of the Military Departments, or their designees, shall advise the School of Medicine as to the acceptability for commissioning of candidates within 45 days of receipt of referral lists, furnishing reasons for those found nonacceptable.

(e) *Notification of acceptance for admission.* As soon as candidates are approved for commissioning by their appropriate components, they shall be advised in writing by the School of Medicine that they are unconditionally accepted for admission.

[54 FR 31335, July 28, 1989]

§242.6 Central point of contact.

The Assistant Dean for Academic Support, USUHS, is designated as the central point of contact for matters pertaining to the admission procedures outlined in §242.5.

§242.7 Responsibilities.

(a) The President of the University shall:

(1) Develop and prescribe formal application procedures for admission to the School, consistent with the provisions of this part.

(2) Select candidates for admission to the School of Medicine in accordance with the policies and procedures prescribed in this part.

(3) Coordinate, as required, with the Military Department Secretaries or their designees to ensure the proper administration of the admissions process.

(4) Monitor, review, and evaluate the admissions process to assure its effectiveness and efficiency operationally, and make recommendations as required for the revision of the policies and procedures herein set forth.

(b) Secretaries of the Military Departments shall:

(1) Approve/disapprove requests of military personnel who want to apply to the School of Medicine, as prescribed herein.

(2) Carry out confirmatory requirements and ensure that the suspense for accomplishing these actions is met.

(3) Designate a representative in their respective areas to be responsible for overseeing and coordinating confirmatory action requirements. (Names of designees and any changes in designations shall be furnished to the President of USUHS.)

(4) Ensure coordination of proposed implementing regulations with the President, USUHS.

(c) Assistant Secretary of Defense Health Affairs shall determine, in coordination with the Secretaries of the Military Departments and the President, USUHS, the number of spaces in each entering class to be allocated to the respective components.

(d) Director, DoDMERB, shall:

(1) Establish necessary policies and procedures, in coordination with the Military Departments, for scheduling and reviewing physical examinations for civilian selectees, and reviewing examinations for military selectees.

(2) Review and take final action on any requests for waiver of physical standards for admission to the School.

[54 FR 31335, July 28, 1989]

§242.8 Academic, intellectual, and personal requirements for admission to the first-year class.

Admission to the School of Medicine of the Uniformed Services University of the Health Sciences is on a competitive basis, with selection predicated on:

(a) Evidence of sound character and high motivation for a career in the Medical Corps of the Uniformed Services, and

(b) Evidence of sufficient intellectual ability and preparation to undertake successfully the study of medicine.

(1) *Academic requirements.* Recognizing that Service medicine needs individuals with a wide variety of interests and talents, the School of Medicine welcomes applications from individuals with a diversity of educational backgrounds. However, there are certain specific academic requirements that are requisite for admission. These are as follows:

(i) *College preparation*. All applicants must have attained a baccalaureate degree from an accredited academic institution prior to matriculation.

(ii) *Prerequisite course work*. Area of specialization in college is not a limiting factor in gaining admission to the School, but a strong foundation in the sciences basic to the study of medicine is a requirement for all entering students. The minimum undergraduate science prerequisites for entrance are:

(*a*) *Chemistry* (*inorganic or general*). 1 academic year including appropriate laboratory.

(*b*) *Organic chemistry*. 1 academic year including laboratory.

(*c*) *Mathematics*. 1 academic year.

(*d*) *Physics*. 1 academic year including laboratory.

(*e*) *Biology*. 1 academic year including laboratory.

An academic year of course work equates to that course work which extends over a two-semester or three-quarter period and carries a total credit of between 6 to 8 semester hours or 9 to 12 quarter hours. No application will be considered unless the applicant has completed the science prerequisites or is in the process of completing the last 8 semester hours (or 12 quarter hours) of these courses at time of making application.

In addition to the science requirements, all applicants must complete 6 semester hours (or the equivalent) of college English before matriculating. While the foregoing represent the minimum academic prerequisites for admission, preference generally will be shown to applicants who also have had some college course work in the humanities and/or the social and behavioral sciences, for these disciplines complement the study of medicine, contributing to an understanding of human behavior both in sickness and health.

(2) *Testing requirements*. Applicants for admission are required to have taken the Medical College Admission Test.

(3) *Evidence of character and motivation*. Judgments about character and motivation will be based on letters of reference, personal statements, evaluation reports, personality inventories, interviews, and such other credentials/techniques necessary, as determined by the School of Medicine, to assess thoroughly the noncognitive nature and potential of the aspirant. The School of Medicine will take the initiative in gathering data upon which to make noncognitive assessments of applicants.

§ 242.9 Academic, intellectual, and personal requirements for admission to advanced standing.

(a) Selection of students to advanced standing will be competitive, based on both cognitive and noncognitive factors. Demonstrated aptitude and motivation for a career in medicine in the Uniformed Services will be prime considerations in making admissions decisions. Only the most promising of candidates will be accepted, as judged by scholastic records, letters of recommendation, interviews, and such other credentials and/or appraisal techniques as may be deemed appropriate to use by the School of Medicine.

(b) To be eligible academically for admission to advanced-standing, applicants must have successfully completed the year of medical studies preceding the year in which they desire advanced placement. Only students from fully accredited medical schools will be eligible for transfer.

(c) Individuals who have received the D.D.S., D.M.D., Ph.D., D.O., or D.V.M. degrees, or candidates for these degrees will not be eligible for advanced placement in the School of Medicine at this time. They will only be considered for admission to the Freshman class. Advanced standing applicants are required to have taken the Medical College Admission Test.

§ 242.10 Effective date and implementation.

This part will become effective immediately. Three copies of proposed implementing regulations shall be forwarded to the Assistant Secretary of Defense Health Affairs within 30 days.

[54 FR 31335, July 28, 1989]

PART 242a—PUBLIC MEETING PROCEDURES OF THE BOARD OF REGENTS, UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES

Sec.
242a.1 Applicability.
242a.2 Definitions.
242a.3 Open meetings.
242a.4 Grounds on which meetings may be closed, or information may be withheld.
242a.5 Procedure for announcing meetings.
242a.6 Procedure for closing meetings.
242a.7 Transcripts, recordings and minutes of closed meetings.
242a.8 Effective date.

AUTHORITY: 5 U.S.C. 552b (g); Pub. L. 94–409.

SOURCE: 42 FR 12853, Mar. 7, 1977, unless otherwise noted.

§242a.1 Applicability.

These procedures apply to meetings of the Board of Regents, Uniformed Services University of the Health Sciences (USUHS), including committees of the Board of Regents.

§242a.2 Definitions.

(a) *Board* or *Board of Regents* means the collegial body that conducts the business of the Uniformed Services University of the Health Sciences as specified in Title 10, U.S. Code 2113, consisting of:

(1) Nine persons outstanding in the fields of health and health education appointed from civilian life by the President, by and with the advice and consent of the Senate;

(2) The Secretary of Defense, or his designee, an ex officio member;

(3) The surgeons general of the uniformed services, ex officio members; and

(4) The Dean (President) of the University, an ex officio non-voting member.

(b) *Board Representative* means the individual named as Executive Secretary by the Board, or any person officially designated by the Board.

(c) *Chairman* means the presiding officer of the Board, designated by the President, as specified in Title 10, U.S. Code 2113.

(d) *Committee* means any formally designated subdivision of the Board, consisting of as least two Board members, authorized to act on behalf of the Board, including, the Board's standing committees (the Executive, Administrative Affairs, Educational Affairs, Fine Arts and Gifts, and Nominating Committees) and any ad hoc committees appointed by the Board for special purposes.

(e) *Meeting* means the deliberations of at least a majority of all Regents in being or for committees, the deliberations of at least the number of individual voting members of the Board required to take action on behalf of the Board, where such deliberations determine or result in the joint conduct or disposition of official business of the Board, but does not include:

(1) Deliberations to open or close a meeting, or to release or withhold information, required or permitted by §242a.5 or §242a.6;

(2) Notation voting or similar consideration of matters whether by circulation of material to members individually in writing, or polling of members individually by telephone or telegram; and

(3) Instances where individual members, authorized to conduct business on behalf of the Board or to take action on behalf of the Board, meet with members of the public or staff. Conference telephone calls that involve the requisite number of members, and otherwise come within the definition, are included.

(f) *Member* means a member of the Board of Regents.

(g) *Public Announcement* means posting notices on the Board's public notice bulletin board, and mailing announcements to persons on a mailing list maintained for those who desire to receive notices of Board meetings, and who pay such fee as may be determined by the Executive Secretary, not to exceed $10.00 per year, to cover the costs involved in such distribution.

(h) *Staff* includes the employees of the USUHS, other than the members of the Board.

[42 FR 12853, Mar. 7, 1977, as amended at 42 FR 63775, Dec. 20, 1977]

§242a.3 Open meetings.

(a) Members shall not jointly conduct or dispose of business of the Board of Regents other than in accordance with

these procedures. Every portion of every meeting of the Board of Regents or any committee of the Board shall be open to public observation subject to the exceptions provided in § 242a.4.

(b) Open meetings will be attended by members of the Board, certain staff, and any other individual or group desiring to observe the meeting. The public will be invited to observe and listen to the meeting but not to record any of the discussions by means of electronic or other devices or cameras unless approval in advance is obtained from the Executive Secretary. The public will not participate in the meeting unless public participation is invited by the Board.

(c) The Executive Secretary shall be responsible for making physical arrangements that provide ample space, sufficient visibility, and adequate acoustics for public observation of meetings.

§ 242a.4 Grounds on which meetings may be closed, or information may be withheld.

Except in a case where the Board or a committee finds that the public interest requires otherwise, the open meeting requirement set forth in the second sentence of § 242a.3(a) shall not apply to any portion of a Board or committee meeting, and the informational disclosure requirements of §§ 242a.5 and 242a.6 shall not apply to any information pertaining to such meeting otherwise required by this part to be disclosed to the public, where the Board or committee as applicable, properly determines that such portion or portions of its meetings or the disclosure of such information is likely to:

(a) Disclose matters that are:

(1) Specifically authorized under criteria established by an Executive order to be kept secret in the interests of national defense or foreign policy; and

(2) Properly classified pursuant to such executive order;

(b) Relate solely to the internal personnel rules and practices of the USUHS;

(c) Disclose matters specifically exempted from disclosure by statute (other than Title 5, U.S. Code 552), provided that such statute:

(1) Requires that the matters be withheld from the public in such a manner as to leave no discretion on the issue; or

(2) Establishes particular criteria for withholding or refers to particular types of matters to be withheld;

(d) Disclose trade secrets and commercial or financial information obtained from a person, privileged or confidential;

(e) Involve accusing any person of a crime or formally censuring any person;

(f) Disclose information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy;

(g) Disclose investigatory records compiled for law enforcement purposes, or information which if written would be contained in such records, but only to the extent that the production of such records or information would:

(1) Interfere with enforcement proceedings;

(2) Deprive a person of a right to a fair trial or an impartial adjudication;

(3) Constitute an unwarranted invasion of personal privacy;

(4) Disclose the identity of a confidential source and, in the case of a record compiled by a criminal law enforcement authority in the course of a criminal investigation, or by an agency conducting a lawful national security intelligence investigation, confidential information furnished only by the confidential source;

(5) Disclose investigative techniques and procedures; or

(6) Endanger the life or physical safety of law enforcement personnel;

(h) Disclose information contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of an agency responsibile for the regulation or supervision of financial institutions;

(i) Disclose information the premature disclosure of which would be likely to significantly frustrate implementation of a proposed agency action, except that this subsection shall not apply in any instance where the agency has already disclosed to the public the content or nature of its proposed action, or where the agency is required by law to make such disclosure on its

own initiative prior to taking final agency action on such proposal; or

(j) Specifically concern the issuance of a subpoena, or USUHS participation in a civil action or proceeding, an action in a foreign court or international tribunal, or an arbitration, or the initiation, conduct, or disposition by the USUHS of a particular case of formal adjudication pursuant to the procedures in Title 5, United States Code, section 554 or otherwise involving a determination on the record after opportunity for a hearing.

§242a.5 Procedure for announcing meetings.

(a) Except to the extent such such information is exempt from disclosure under the provisions of §242a.4, in the case of each Board or committee meeting, the Board representative, shall make public announcement, at least 7 days before the meeting, of the following:

(1) Time of the meeting;

(2) Place of the meeting;

(3) Subject matter of the meeting;

(4) Whether the meeting or parts thereof are to be open or closed to the public; and

(5) The name and telephone number of the person designated by the Board or committee to respond to requests for information about the meeting.

(b) The 7 day period for the public announcement required by paragraph (a) of this section may be reduced if a majority of the members of the Board or committee, as applicable, determine by a recorded vote that Board or committee business requires that such expedited meeting be called at an earlier date. The Board or committee shall make public announcement of the time, place, and subject matter of such meeting, and whether open or closed to the public, at the earliest practicable time.

(c) The time or place of a meeting or deletion of subject matter may be changed following the public announcement required by paragraph (a) of this section only if the Board representative publicly announces such change at the earliest practicable time. Such change need not be voted on by the members.

(d) The subject matter of a meeting or the determination of the Board or committee, as applicable, to open or close a meeting, or portion of a meeting, to the public, may be changed following the public announcement required by paragraph (a) of this section only if:

(1) A majority of the entire voting membership of the Board of a majority of the entire voting membership of a committee, determines by a recorded vote that Board or committee business so requires and that no earlier announcement of the change was possible; and

(2) The Board or committee publicly announces such change and the vote of each member upon such change at the earliest practicable time.

(e) The *earliest practicable time* as used in this section, means as soon as possible, which should in few, if any, instances be no later than commencement of the meeting or portion in question.

(f) Immediately following each public announcement required by this section, notice of the time, place and subject matter of a meeting, whether the meeting is open or closed, any change in one of the preceding, and the name and telephone number of the person designated by the Board or committee to respond to requests for information about the meeting, shall also be submitted for publication in the FEDERAL REGISTER.

§242a.6 Procedure for closing meetings.

(a) Action to close a meeting or portion thereof, pursuant to the exemptions set forth in §242a.4 shall be taken only when a majority of the entire voting membership of the Board or a majority of the entire voting membership of a committee, as applicable, vote to take such action.

(b) A separate vote of the Board or committee members shall be taken with respect to each Board or committee meeting a portion or portions of which are proposed to be closed to the public pursuant to §242a.4 or with respect to any information which is proposed to be withheld under §242a.4.

(c) A single vote of the Board or committee may be taken with respect to a

series of meetings, a portion or portions of which are proposed to be closed to the public, or with respect to any information concerning such series of meetings, so long as each meeting in such series involves the same particular matters and is scheduled to be held no more than 30 days after the initial meeting in such series.

(d) The vote of each member shall be recorded, and may be by notation voting, telephone polling or similar consideration.

(e) Whenever any person whose interests may be directly affected by a portion of a meeting requests that the Board or a committee close such portion to the public under any of the exemptions relating to personal privacy, criminal accusation, or law enforcement information referred to in § 242a.4 (e), (f), and (g), the Board or committee, as applicable, upon request of any one of its members, shall vote by recorded vote whether to close such meeting. Where the Board receives such a request prior to a meeting, the Board's representative may ascertain by notation voting, or similar consideration, the vote of each member of the Board, or committee, as applicable, as to the following:

(1) Whether the business of the Board or committee permits consideration of the request at the next meeting, and delay of the matter in issue until the meeting following, or

(2) Whether the members wish to close such meeting.

(f) Within 1 day following any vote taken pursuant to paragraphs (a), (b), (c), or (e), of this section, the Board or committee shall make publicly available a written copy of such vote reflecting the vote of each member on the question. If a portion of a meeting is to be closed to the public, the Board or committee shall, within 1 day of the vote taken pursuant to paragraphs (a), (b), (c), or (e) of this section, make publicly available a full written explanation of its action closing the portion together with a list of all persons expected to attend the meeting and their affiliation. The information required by this paragraph shall be disclosed except to the extent it is exempt from disclosure under the provisions of § 242a.4.

(g) For every meeting closed pursuant to paragraphs (a) through (j) of § 242a.4, the General Counsel or chief legal officer of the USUHS shall publicly certify before the meeting that, in his or her opinion, the meeting may be closed to the public and shall state each relevant exemptive provision. A copy of such certification, together with a statement from the presiding officer of the meeting setting forth the time and place of the meeting, and the persons present, shall be retained by the Board as part of the transcript, recording or minutes required by § 242a.7.

§ 242a.7 Transcripts, recordings, and minutes of closed meetings.

(a) The Board of Regents shall maintain a complete transcript or electronic recording adequate to record fully the proceedings of each meeting, or portion of a meeting, closed to the public, except that in the case of a meeting, closed to the public pursuant to § 242a.4(j), the Board shall maintain either such a transcript or recording, or a set of minutes.

(b) Where minutes are maintained they shall fully and clearly describe all matters discussed and shall provide a full and accurate summary of any action taken, and the reasons for such actions, including a description of each of the views expressed on any item and the record of any roll call vote (reflecting the vote of each member on the question). All documents considered in connection with any action shall be identified in such minutes.

(c) The Board shall maintain a complete, verbatim copy of the transcript, a complete copy of the minutes, or a complete electronic recording of each meeting or portion of a meeting, closed to the public, for a period of at least 2 years after such meeting, or until 1 year after the conclusion of any Board proceeding with respect to which the meeting or portion was held, whichever occurs later.

(d) Public availability of records shall be as follows:

(1) Within 10 days of receipt of a request for information (excluding Saturdays, Sundays, and legal public holidays), the Board shall make available to the public, in the offices of the Board of Regents, USUHS, Bethesda,

Maryland, the transcript, electronic recording, or minutes of the discussion of any item on the agenda, or of any item of the testimony of any witness received at the meeting, except for such item or items of such discussion or testimony as the Executive Secretary determines to contain information which may be withheld under §242a.4.

(2) Copies of such transcript, or minutes, or a transcription of such recording disclosing the identity of each speaker, shall be available at the actual cost of duplication or transcription.

(3) The determination of the Executive Secretary to withhold information pursuant to paragraph (d)(1) of this section may be appealed to the Board. The appeal shall be circulated to individual board members. The Board shall make a determination to withhold or release the requested information within 20 days from the date of receipt of a written request for review (excluding Saturdays, Sundays, and legal public holidays).

(4) A written request for review shall be deemed received by the Board when it has arrived at the offices of the Board in a form that describes in reasonable detail the material sought.

§242a.8 Effective date.

This part shall become effective on March 12, 1977.

PART 242b—GENERAL PROCEDURES AND DELEGATIONS OF THE BOARD OF REGENTS OF THE UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES

Sec.

242b.1 Regents.
242b.2 Meetings of the Board.
242b.3 Notice.
242b.4 Quorum.
242b.5 Voting.
242b.6 Committees.
242b.7 Officers of the University.
242b.8 Amendment of procedures—Rules of Order.

AUTHORITY: Uniformed Services Health Professions Revitalization Act, 10 U.S.C. 2112–17.

SOURCE: 42 FR 63775, Dec. 20, 1977, unless otherwise noted.

§242b.1 Regents.

(a) *History and name.* The Congress of the United States in the Uniformed Services Health Professions Revitalization Act of 1972, 10 U.S.C. 2112–17 (1972) created a collective body to conduct the business of the Uniformed Services University of the Health Sciences, and designated this body ''the Board of Regents of the Uniformed Services University of the Health Sciences,'' referred to in these procedures as ''the Board.''

(b) *Number, duties.* Section 2113 of Title 10, United States Code, provides:

(1) The number of Regents on the Board;

(2) The manner of selection of the Regents;

(3) The terms of office of the Regents;

(4) The powers and duties of the Regents;

(5) The manner of selection of a Chairman of the Board;

(6) The compensation of the Regents.

(c) *Officers*—(1) *Designation—term—vacancies.* (i) The officers of the Board shall consist of a Chairman and a Vice Chairman.

(2) *Chairman of the Board.* (i) The Chairman of the Board shall preside at all meetings of the Board in accordance with these procedures.

(ii) The Chairman of the Board shall have the power to execute on behalf of the Board all instruments in writing which have been authorized by the Board and shall exercise such other powers as may be conferred upon him or her from time to time by the Board.

(3) *Vice Chairman of the Board.* (i) The Board of Regents shall elect from their own members a Vice Chairman.

(ii) The Vice Chairman shall serve for a term of one year or until a successor is elected.

(iii) The term of office of the Vice Chairman shall commence immediately upon election.

(iv) If the Chairman is absent or unable to act, the Vice Chairman shall exercise the powers and perform the duties of the Chairman.

(v) The Vice Chairman shall perform such other duties as may be directed from time to time by the Chairman and the Board.

(vi) If both the Chairman and Vice Chairman are absent or unable to act,

the Board shall elect a member Acting Chairman.

(4) *Executive Secretary*. (i) The Board shall appoint an Executive Secretary, referred to in these procedures as ''the Secretary.''

(ii) The Secretary shall have the power to perform such duties as generally pertain to the office and as may be conferred from time to time by the Board.

(iii) The Secretary shall notify the Regents of the time and place of all meetings of the Board, in accordnce with these Procedures, and shall keep a complete record of its proceedings.

(iv) The Secretary shall furnish to every Regent prior to each meeting of the Board a copy of the Minutes of the preceding meeting.

(v) The Secretary shall give notice of the time and place of committee meetings, and if desired by the commitee or its chairman, the Secretary or an assistant shall attend the meeting and keep a record of the meeting.

(vi) The Secretary shall prepare and distribute expeditiously the minutes of all meetings of standing committees to all Regents.

(vii) The Secretary shall keep at the office of the University a copy of these General Procedures and Delegations, and the Public Meeting Procedures of the Board of Regents as periodically amended.

(viii) During the Secretary's absence or inability to act, an Assistant Secretary, appointed by the Chairman, shall act in the Secretary's place.

§ 242b.2 Meetings of the Board.

(a) *Regular meetings.* (1) The Board shall hold at least four (4) meetings in each annual period from October 1 to September 30.

(2) Unless otherwise determined by the Board, meetings shall be held at the offices of the University, 4301 Jones Bridge Road, Bethesda, Md. 20014.

(b) *Additional meetings.* (1) Additional meetings shall be called by the Secretary upon the written request of three or more Regents, delivered to the Secretary, or upon the direction of the Chairman or of the Dean of the University (President).

(2) Additional meetings of the Board shall be held at such times and places as shall be specified in the notice of meeting.

§ 242b.3 Notice.

(a) Notice of all meetings of the Board shall be sent by the Secretary to each Regent by mail, telegraph, or telephone.

(b) Mailing a notice not less than 7 days before any meeting, or sending a telegram not less than twenty-four hours before a meeting, addressed to each Regent at his or her residence or place of business; or actual notice by telephone to such person not less than twenty-four hours before the meeting, shall be sufficient notice of any meeting. The recital by the Secretary in the minutes that notice was given shall be sufficient evidence of the fact.

(c) A Regent may waive in writing notice of any meeting either prior to or subsequent to the holding of the meeting.

(d) Public announcement of meetings shall conform to the Public Meeting Procedures of the Board of Regents, 32 CFR 242a.5.

§ 242b.4 Quorum.

A majority of all Regents in being shall constitute a quorum of the Board.

§ 242b.5 Voting.

(a) The concurrence of a majority of the Regents present at a meeting shall be necessary for the transaction of business.

(b) Unless a written ballot is required by a Regent, no actions taken by the Board need be by written ballot.

(c) The Chairman of the Board and of each Committee is entitled to move, second, vote, and participate fully in any session to the same extent as if not a presiding officer.

(d) At the direction of the Chairman, action may be taken by a majority of the Regents by notation voting, by voting on material circulated to Regents individually or serially, or by polling of Regents individually or collectively by telephone or by telegram, or by similar procedure. Such action shall be reported by the Secretary at the next Board meeting.

§242b.6 Committees.

(a) The Executive Committee shall be the one regular standing committee of the Board.

(b) The Executive Committee will be composed of:

(1) The Chairperson of the Board;

(2) The Vice Chairperson of the Board;

(3) The Secretary of Defense or his designee;

(4) The Dean of the University (President); and

(5) A member of the Board appointed by the Chairperson. The Dean of the University will be a non-voting member whose presence will not be counted for the purpose of determining a quorum at any Executive Committee meeting.

(c) The Executive Committee will possess all powers of the Board of Regents except the power:

(1) To change the General Procedures and Delegations;

(2) To appoint or remove the Dean of the University (President), Dean of the School of Medicine, Dean of the Military Medical Education Institute, Chairpersons of Departments and tenured faculty;

(3) To amend the tenure policy of the University;

(4) To establish post doctoral, post graduate and technological institutes;

(5) To establish programs in continuing medical education;

(6) To agree to utilize Federal medical resources on a reimbursable basis;

(7) To affiliate with other universities.

[54 FR 11946, Mar. 23, 1989]

§242b.7 Officers of the University.

(a) *Dean of the University*. (1) The Regents will appoint a Dean of the University who will also be known as the President.

(2) The President will be appointed or removed only by an affirmative vote of a majority of the Regents.

(3) At meetings of the Board of Regents, the President will be counted for the purpose of determining the presence of a quorum but will not vote.

(4) The President will be responsible for the management of the University and all its departments.

(5) The President will report to the Board at each regular meeting on the progress of the University, and will make recommendations for action.

(6) To assist in the performance of his or her duties, the President with the approval of the Board, will appoint, to act under the President's authority and direction, officers as follows:

(i) Vice President of the University.

(ii) Vice President for Operations of the University.

(iii) Commandant of the University.

(iv) Dean of the School of Medicine.

(v) Associate Dean for Academic Affairs of the School of Medicine.

(vi) Associate Dean for Operations of the School of Medicine.

(vii) Associate Dean for Continuing Education of the School of Medicine.

(viii) Associate Dean for Clinical and Academic Affairs.

(ix) Dean of the Military Medical Education Institute.

(7) The President, with the approval of the Board, may appoint and prescribe the powers and duties of other officers, as he or she may deem proper.

(8) If there is no one holding the office of President, the Board of Regents may appoint an Acting President to perform the duties of the President for such period of time as the Board may determine. If the Acting President is also a Regent, he or she will retain the powers and duties of a Regent while so acting.

(b) *Duties of officers*—(1) *Vice President of the University*. (i) The Vice President of the University will assist the President and will perform such duties as may be directed from time to time by the President.

(ii) In the absence of the President, the Vice President will act for the President.

(2) *Vice President for Operations of the University*. (i) The Vice President for Operations will be responsible for the support of the educational and research activities of the University to include but not limited to:

(A) Financial Management;

(B) Building Services and Materiel Acquisition;

(C) Military Personnel;

(D) Civilian Personnel;

(E) Computer Operations; and

(F) Contracting.

(ii) He or she will be responsible for the preparation of the University budget estimates and program submission presentations for the approval of the Board.

(iii) He or she will recommend to the President persons for appointment as the Assistant Vice President for Administration and such other administrative positions as he or she deems proper.

(iv) For reporting purposes, Financial Management and Computer Operations will report directly to the Vice President for Operations; the Civilian Personnel Office, Military Personnel Office, Building Services and Material Acquisition, and Contracting will report to the Assistant Vice President for Administration, who in turn shall report to the Vice President for Operations.

(v) Serves as Acting President in absence of President and Vice President.

(3) *Commandant of the University.* (i) The Commandant will assist the President of the University in planning, developing, and directing the military activities and functions of the University.

(ii) In the absence of the President; Vice President; Vice President for Operations; Dean, School of Medicine; and the Dean, MMEI, he or she will act for the President.

(4) *Dean of the School of Medicine.* (i) The Dean of the School of Medicine will be responsible for planning, directing, and managing the activities of the School of Medicine.

(ii) He or she will recommend to the President and to the Board, personnel for faculty appointments and will perform such duties as may be directed from time to time by the Board or the President.

(iii) He or she will recommend to the President persons for appointment as the Associate Dean for Operations, Associate Dean for Academic Affairs, Associate Dean for Continuing Education, Associate Deans for Clinical and Academic Affairs, and such other administrative positions as he or she deems proper.

(iv) For reporting purposes, the Associate Dean for Operations, Associate Dean for Academic Affairs, Associate Dean for Continuing Education, Associate Deans for Clinical and Academic Affairs, Assistant Dean for Clinical Sciences, Assistant Dean for Graduate Medical Education Liaison, and Assistant Dean for Student Affairs will report directly to the Dean, School of Medicine.

(5) *Associate Dean for Academic Affairs of the School of Medicine.* (i) The Associate Dean for Academic Affairs will be responsible for the overall management and supervision of the University's Basic Sciences Departments, Clinical Sciences Departments, and the Academic Sections. The Assistant Dean for Graduate Education will report to the Associate Dean for Academic Affairs.

(ii) In the absence of the Dean, he or she will act for the Dean.

(6) *Associate Dean for Operations of the School of Medicine.* (i) The Associate Dean for Operations will be responsible for the support of the education and research activities of the School of Medicine to include but not limited to:

(A) Grants Management;

(B) Teaching and Research Support;

(C) Learning Resource Center; and

(D) Laser Biophysics Center.

(ii) He or she will be responsible for the preparation of the School of Medicine budget estimates and program submission presentations for the approval of the Board.

(iii) In the absence of the Dean and Associate Dean for Academic Affairs, he or she will act for the Dean.

(7) *Associate Dean for Continuing Education of the School of Medicine.* (i) The Associate Dean for Continuing Education will be responsible for all continuing education at the University to include its accreditation.

(ii) The Associate Dean for Continuing Education will report to the Dean, School of Medicine, or to the individual acting on behalf of the Dean.

(8) *Associate Deans for Clinical and Academic Affairs.* (i) The military medical officer next in line to succeed to command in each of the major affiliated Military Medical Centers, i.e., Walter Reed Army Medical Center, National Naval Medical Center, and Malcolm Grow U.S. Air Force Medical Center, respectively, will be the ex-officio incumbent of the position: Associate

Dean for Clinical and Academic Affairs.

(ii) The respective Associate Dean for Clinical and Academic Affairs for each designated Center will exercise the authority and responsibilities of that position subject to respective Command regulations and policies. The incumbents will serve in a co-equal administrative status to each other within the School of Medicine's scope of authority and responsibility. Military medical officers will be appointed ex-officio and will serve in additional duty status in the Associate Dean for Clinical and Academic Affairs position in addition to their regular assignment.

(iii) Each Associate Dean for Clinical and Academic Affairs will be responsible to the Dean, School of Medicine, for central coordination, supervision, and implementation of School of Medicine/Uniformed Services University of the Health Sciences academic and investigative/research activities performed within his/her respective Military Medical Center Command. Additionally, each Associate Dean for Clinical and Academic Affairs will represent the interests of his/her affiliated Medical Center Command within the School of Medicine and serve as principal advisor to the Dean, School of Medicine, for all professional and military matters within that command which are relevant to the School of Medicine or the Uniformed Services University of the Health Sciences.

(9) *Dean of the Military Medical Education Institute.* (i) The Dean of the Military Medical Education Institute will be responsible for planning, directing, and managing the activities of the Military Medical Education Institute.

(ii) He or she will recommend to the President and to the Board, personnel for faculty appointments and will perform such duties as may be directed from time to time by the Board or the President.

(iii) He or she will recommend to the President persons for appointment to such administrative positions as he or she deems proper.

[54 FR 11947, Mar. 23, 1989]

§ 242b.8 Amendment of procedures—Rules of Order.

(a) *Amendments.* These general procedures and delegations may be amended at any meeting of the Board of Regents by the affirmative vote of two-thirds (⅔) of the Regents present at the meeting; provided, however, that notice of proposed amendments and the text of such amendments have been distributed at the preceding meeting and have accompanied the notice of the current meeting, or there is a duly completed waiver of notice.

(b) *Order of business.* The order of business shall be at the discretion of the Chairman unless otherwise specified by the Board.

(c) *Rules of Order.* In the determination of all questions of parliamentary usage, the decision of the presiding officer shall be based upon the latest available revision of *Robert's Rules of Order.*

PART 243—INTERGOVERNMENTAL COORDINATION OF DoD FEDERAL DEVELOPMENT PROGRAMS AND ACTIVITIES

Sec.

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243.2 Applicability and scope.
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APPENDIX A TO PART 243—DOD PROGRAMS AND ACTIVITIES INCLUDED UNDER THIS RULE [NOTE]

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APPENDIX C TO PART 243—DOD LIAISON REPRESENTATIVES FOR INTERGOVERNMENTAL COORDINATION OF DOD FEDERAL DEVELOPMENT PROGRAMS AND ACTIVITIES [NOTE]

APPENDIX D TO PART 243—PROCEDURES FOR DOD FEDERAL DEVELOPMENT PROGRAMS AND ACTIVITIES [NOTE]

AUTHORITY: E.O. 12372 (July 14, 1982; 47 FR 30959); section 401(b), Intergovernmental Cooperation Act of 1968 (31 U.S.C. 6506(b)).

SOURCE: 48 FR 29141, June 24, 1983, unless otherwise noted.

§ 243.1 Purpose.

This rule under E.O. 12372 and 31 U.S.C. 6506 et seq, updates policies, assigns responsibilities, and prescribes procedures for an intergovernmental process to assist coordination of appropriate DoD Federal development programs and activities in the United States with State and local governments and Federal agencies, and to encourage state and local governments and Federal agencies to coordinate their programs and activities with the Department of Defense.

§ 243.2 Applicability and scope.

(a) This rule applies to the Office of the Secretary of Defense, the Military Departments (excluding the civil works function of the U.S. Army Corps of Engineers) and the Defense Agencies (hereafter referred to collectively as ''DoD Components'').

(b) Neither E.O. 12372 nor this rule are intended to create any right or benefit enforceable at law by a party against the Department of Defense or its officials.

(c) This rule covers all programs and activities developed by DoD Components for military construction (as defined in DoD Instruction 7040.4), acquisition of real property, substantial changes in existing use of military installations and real property, and disposal of real property that may affect state and local government or other Federal agency community development programs and activities, and state, local, and other Federal agency programs and activities that may affect DoD activities.

(d) A list of the DoD programs and activities subject to E.O. 12372 is at appendix A. An illustrative list of other Federal programs and activities that may affect the Department of Defense is at appendix B.

§ 243.3 Definition.

State. 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.

§ 243.4 Policy.

It is the policy of the Department of Defense to promote an intergovernmental partnership and a strengthened Federalism by relying on state processes and on state, areawide, regional, and local coordination for review of proposed DoD Federal development; and to encourage the opportunity to review other agency programs and activities that may affect the Department of Defense.

§ 243.5 Responsibilities.

(a) The *Executive Secretary to the Secretary of Defense,* having been designated by the Secretary of Defense as the DoD intergovernmental coordination point of contact, shall act as the focal point for all matters relating to E.O. 12372.

(b) The *Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics)* (ASD(MRA&L)) shall develop policy and shall:

(1) Have overall management responsibility for intergovernmental coordination of DoD Federal development programs and activities,

(2) Monitor the implementation of E.O. 12372 within the Department of Defense.

(c) The *Heads of DoD Components* shall:

(1) Establish and maintain an intergovernmental coordination management process concerning DoD Federal development programs and activities described in appendix A.

(2) Monitor the application of policies, responsibilities, and procedures contained in this rule within their subordinate elements.

(3) Designate an official to be the point of contact for intergovernmental coordination and review matters covered by this rule and report his or her name, position, and office to the ASD(MRA&L).

(4) Develop procedures that will ensure that a record of state comments, reviews, determinations, recommendations, and the status of programs and activities are maintained.

(5) Designate an official, in accordance with appendix C, who shall serve as a DoD liaison representative to the states in the respective Federal regions

for all DoD intergovernmental coordination matters. The identification of the liaison representatives shall be provided to the ASD(MRA&L) who shall publish a directory of liaison representatives in the FEDERAL REGISTER. The liaison function shall be in addition to the representative's regular duties.

§ 243.6 Procedures.

(a) DoD Components shall establish and maintain an intergovernmental coordination management process, reflected in a cooperative agreement when feasible, to achieve full consultation with state, regional, and local entities for those programs and activities covered by this rule. DoD Components shall encourage reciprocal actions with regard to the State, regional, and local programs and activities.

(b) DoD Components shall establish and maintain an inter-agency coordination management process to ensure their development programs and activities are consistent and compatible with the development actions of Federal agencies operating at the local levels. DoD Components shall encourage reciprocal actions by other Federal agencies with regard to their programs and activities. Unresolved conflicts shall be brought to the attention of the ASD(MRA&L).

(c) DoD Components that conduct activities or operate installations that may be affected by the programs and activities of Federal agencies shall take part in the community planning process by providing information, policy, and position statements on those programs and activities to the agencies concerned.

(d) The degree of public interest in a proposed program or activity shall be considered when deciding whether the Congress and the public shall be notified before offering information for comment as prescribed in this rule.

(e) In an emergency, provisions of this rule may be waived by the Secretary of the Military Department concerned. Such instances will be reported to the ASD(MRA&L).

(f) This rule does not affect normal cooperative community planning or coordination relationships between DoD installations and surrounding communities.

(g) Further procedures for DoD Federal development programs are prescribed at appendix D.

APPENDIX A TO PART 243—DOD PROGRAMS AND ACTIVITIES INCLUDED UNDER THIS RULE

EDITORIAL NOTE: For the text of appendix A, see 48 FR 29142, June 24, 1983.

APPENDIX B TO PART 243—EXAMPLES OF FEDERAL PROGRAMS AND ACTIVITIES THAT MAY AFFECT THE DEPARTMENT OF DEFENSE

EDITORIAL NOTE: For the text of appendix B, see 48 FR 29142, June 24, 1983.

APPENDIX C TO PART 243—DOD LIAISON REPRESENTATIVES FOR INTERGOVERNMENTAL COORDINATION OF DOD FEDERAL DEVELOPMENT PROGRAMS AND ACTIVITIES

EDITORIAL NOTE: For the text of appendix C, see 48 FR 29142, June 24, 1983.

APPENDIX D TO PART 243—PROCEDURES FOR DOD FEDERAL DEVELOPMENT PROGRAMS AND ACTIVITIES

EDITORIAL NOTE: For the text of appendix D, see 48 FR 29142, June 24, 1983.

PART 245—PLAN FOR THE SECURITY CONTROL OF AIR TRAFFIC AND AIR NAVIGATION AIDS (SHORT TITLE: SCATANA)

Sec.

245.1 Foreword.
245.2 Explanation of terms.
245.3 The SCATANA Plan.
245.4 Application of Emergency Security Control of Air Traffic (ESCAT).
245.5 Implementation of Security Control of Air Traffic and Air Navigation Aids.
245.6 Tactical Air Movement Plans.
245.7 Extract of Tactical Air Movement Plan.
245.8 Wartime Air Traffic Priority List (WATPL).
245.9 Procedures for movement of air traffic.
245.10 SCATANA testing.
245.11 Authentication.

AUTHORITY: 5 U.S.C. 301, 552.

SOURCE: 41 FR 9322, Mar. 4, 1976, unless otherwise noted.

§ 245.1 Foreword.

(a) This part is promulgated in furtherance of the Federal Aviation Act of 1958, as amended, the Communications Act of 1934, as amended, and Executive Order 11490, and supersedes: Plan for the Security Control of Air Traffic and Air Navigation Aids—June 1971.

(b) This part defines the responsibilities of the Federal Aviation Administration (FAA), the Federal Communications Commission (FCC) and the appropriate military authorities for the security control of civil and military air traffic, and control of federal and non-federal air navigation aids.

§ 245.2 Explanation of terms.

For the purpose of this part and supporting documents, the following explanations apply:

(a) *Air defense emergency.* An emergency condition which exists when attack upon the continental United States, Alaska, Canada, or U.S. installations in Greenland by hostile aircraft or missiles is considered probable, is imminent, or is taking place.

(b) *Air defense identification zone.* Airspace of defined dimensions within which the ready identification, location and control of aircraft is required.

(c) *Air navigation aid* (*NAVAIDS*). (1) Federal NAVAIDS. VOR, VORTAC, TACAN and LORAN stations owned and operated by an agency of the Federal Government such as the FAA, Military Services and United States Coast Guard.

(2) Non-Federal NAVAIDS. VOR, VORTAC and TACAN stations licensed by the FCC.

(d) *Appropriate military authorities.* Within the NORAD area of responsibility—CINCNORAD AND NORAD region commanders. CINCNORAD has delegated all actions associated with the appropriate military authority to NORAD region commanders. Outside the NORAD area of responsibility—the Commander in Chief, or his designated representative, of unified or specified commands for U.S. areas located within their area of responsibility.

(e) *Defense area.* Any airspace of the United States (other than that designated as an ADIZ) in which the control of aircraft is required for national security.

(f) *Defense emergency.* An emergency condition which exists when:

(1) A major attack is made upon U.S. forces overseas, or allied forces in any area, and is confirmed either by the commander of a unified or specified command or higher authority.

(2) An overt attack of any type is made upon the United States and is confirmed either by the commander of a command established by the Secretary of Defense or higher authority.

(g) *Dispersal.* Relocation of aircraft to predesignated dispersed operating bases for the purpose of increasing survivability.

(h) *Diversion.* The intentional change of a flight from its intended destination for operational or tactical reasons.

(i) *Emergency Security Control of Air Traffic* (*ESCAT*) *Rules.* Emergency rules for the security control of air traffic prior to the declaration of Air Defense Emergency (see § 245.4).

(j) *FAA Region.* A geographical subdivision of the area for which the FAA is responsible.

(k) *Implement SCATANA.* The phrase used to direct FAA to commence those actions required in the SCATANA plan (see § 245.5).

(l) *Nontactical air traffic.* Civil or military flights other than tactical air traffic.

(m) *North American Air Defense Command* (*NORAD*). An integrated United States—Canadian command. NORAD includes, as component commands, the United States Air Force Aerospace Defense Command and the Canadian Forces Air Defense Command.

(n) *NORAD Region.* A geographical subdivision of the area for which NORAD is responsible.

(o) *Rerouting.* The intended deviation of a flight from its original course without changing its destination.

(p) *SARDA.* State and Regional Disaster Airlift. A plan for the use of nonair carrier aircraft during a national emergency.

(q) *SCATANA.* The short title for the joint DoD/DOT/FCC plan for the Security Control of Air Traffic and Air Navigation Aids.

(r) *Security control authorization.* Military authorization for an aircraft to take off when ESCAT is applied or

SCATANA has been implemented. (See §§245.5 and 245.8).

(s) *Tactical air traffic.* Military flights actually engaged in operational missions against the enemy, flights engaged in immediate deployment for a combat mission, and preplanned combat and logistical support flights contained in Emergency War Plans.

(t) *United States.* The several states, the District of Columbia, the Commonwealth of Puerto Rico, and the several territories and possessions of the United States (including areas of air, land, or water administered by the United States under international agreement), including the territorial waters and the overlying airspace thereof.

(u) *Wartime Air Traffic Priority List* (*WATPL*). The list comprises eight priorities designed to control the volume of air traffic when SCATANA has been implemented. (See §§245.5, 245.6 and 245.8).

(v) *The use of the words ''will'' and ''shall.''* For the purpose of this part, use of the words will and shall denotes mandatory compliance by the affected persons or agency(ies).

(w) *List of Acronyms and Abbreviations.*

ADIZ—Air Defense Identification Zone.
ARTCC—Air Route Traffic Control Center.
ATC—Air Traffic Control.
CINCNORAD—Commander in Chief North American Air Defense.
CRAF—Civil Reserve Air Fleet.
DoD—Department of Defense.
DVFR—Defense (ADIZ) Visual Flight Rules.
ESCAT—Emergency Security Control of Air Traffic.
EWO—Emergency War Orders.
FAA—Federal Aviation Administration.
FCC—Federal Communications Commission.
ICAO—International Civil Aviation Organization.
IFR—Instrument Flight Rules.
JCS—Joint Chiefs of Staff.
LORAN—A hyperbolic system of navigation, i.e., LORAN–A and LORAN–C systems of navigation.
NAVAID—Navigation Aid.
NORAD—North American Air Defense.
SAC—Strategic Air Command.
SARDA—State and Regional Disaster Airlift.
SCATANA—Security Control of Air Traffic and Air Navigation Aids.
TACAN—Tactical Air Navigation.
VFR—Visual Flight Rules.
VHF—Very High Frequency.
VOR—VHF Omnirange.
VORTAC—VHF Omnirange/Tactical Air Navigation.
WASP—War Air Service Program.
WATPL—Wartime Traffic Priority List.

§245.3 The SCATANA Plan.

(a) *Purpose.* The purpose of this part is to establish responsibilities, procedures and instructions for the security control of civil and military air traffic and NAVAIDS which will provide for the most effective use of airspace under various emergency conditions.

(b) *Authority.* (1) The Joint Chiefs of Staff directives which outline NORAD responsibilities for the development of plans and policies in concert with the FAA and FCC for the establishment of a system for identification and security control of air traffic and air NAVAIDS.

(2) Federal Aviation Act of 1958, as amended.

(3) Communications Act of 1934, as amended.

(4) Executive Order 11490.

(5) The National Security Act of 1947, as amended.

(c) *Scope.* This part applies to all United States territory over which the FAA has air traffic control jurisdiction. For the purpose of this part, the appropriate military authorities within this territory are as follows:

(1) For the NORAD area of responsibility, NORAD region commanders have been designated as appropriate military authority by CINCNORAD.

(2) Outside the NORAD area, the commander, or his designated representative, of the unified-specified command exercising operational control over the area.

(d) *General description of the plan.* This part is intended to meet two types of situations. These are outlined below, together with a general summary of the actions required.

(1) In the first situation, an emergency may develop which does not meet the criteria for the declaration of a Defense Emergency or Air Defense Emergency, but in the interests of hemispheric and national security requires identification and control of all aircraft operating in the defense area, its coastal approaches or any parts of these areas. Under such conditions, the following actions, which are described in more detail in §245.3, will be taken:

(i) The appropriate military authority will direct the FAA Air Route Traffic Control Center (ARTCC) concerned to apply Emergency Security Control of Air Traffic (ESCAT) in the affected area.

(ii) The ARTCC will advise all aircraft operating under its control and relay ESCAT implementation instructions to appropriate aeronautical facilities within its area that ESCAT rules have been applied and will then issue any special security instructions which are required to identify, locate and ensure immediate control of all air traffic.

(iii) When ESCAT is applied, all aircraft must file IFR or DVFR flight plans and comply with the special security instructions issued. These instructions may require diverting or rerouting airborne flights and, using a system of security control authorizations, restrictions to proposed flights not already airborne.

(2) In the second situation, an emergency will have arisen which has resulted in the declaration of Defense Emergency outside the NORAD area, Air Defense Emergency within the NORAD area, or both of these. Under such conditions the following actions, described in detail in § 245.5, will be taken:

(i) The appropriate military authority will direct the FAA ARTCC concerned to implement Security Control of Air Traffic and Air Navigation Aids (SCATANA).

(ii) The ARTCC will relay SCATANA implementation to appropriate aeronautical facilities, will direct all VFR traffic under its control to land and file an IFR/ DVFR flight plan, and will implement other directions specified by the appropriate military authority. These may include grounding, diversion and other restrictions to flight, plus the control of navigation aids.

(iii) Aircraft movements will be controlled by the use of the WATPL except for specific exceptions which will be controlled by using a Security Control Authorization.

(iv) The NORAD Region in its transmission of SCATANA air traffic control instructions to the ARTCC will clearly state which WATPL Numbers are authorized to operate. This information will also include any special authorizations for operations under Security Control Authorizations procedures (see § 245.8).

(e) *Amplifying Instructions*—(1) *Interference with normal air traffic.* This will be minimized, consistent with the requirement for operation of the air defense system.

(2) *Supplements for essential civil air operations.* Appropriate Unified-Specified commands, in collaboration with the FAA region directors will prepare annexes and agreements supplementing this plan for their area of responsibility. These supplements are to consider the special requirements of organized civil defense and disaster relief flights, agricultural and forest fire flights, border patrol flights and other essential civil air operations to the end that maximum use of these flights, consistent with air defense requirements will be made when SCATANA and ESCAT are in effect.

(3) *Vital military flights to have priority.* Military air operations vital to national defense are to be given priority over all other military and civil aircraft through procedural handling by the Air Traffic Control (ATC) systems as specified in coordinated agreements or authorizations for particular operations (see § 245.8).

(4) *One Military authority to direct ARTCCs.* In consonance with this plan, appropriate military authorities will direct the extent of security control of air traffic and air navigation aids as required by the military situation. Such directions will be issued to appropriate FAA ARTCCs for implementation. The area of responsibility of the appropriate military authority may not be congruent with ARTCC boundaries, especially in the NORAD area where one ARTCC's boundaries may lie within two or more NORAD regions. To prevent confusion, agreements will be developed between appropriate military authorities and the ARTCCs concerned to ensure that each ARTCC receives direction from one military authority only. Unless operational requirements dictate otherwise, directed SCATANA actions will be consistent throughout an individual ARTCC area.

(5) *Tactical air movements plans.* To assist appropriate military authorities in

making a preliminary assessment of wartime air traffic patterns and to simplify the transition to SCATANA operations, major commands are to coordinate the air traffic movement section of their Emergency War Plans (including dispersal and evacuation) and preposition flight plan information with appropriate military authorities. This authority is the NORAD region commander within the NORAD area of responsibility. Detailed requirements are explained in § 245.6.

(6) *Testing procedures.* To insure that implementing actions can be taken expeditiously, SCATANA tests will be conducted periodically in accordance with § 245.10.

(7) *Dispersal actions.* Prior to or subsequent to the declaration of a Defense Emergency or an Air Defense Emergency, there may be a requirement to disperse civil and military aircraft for their protection. If such dispersal plans are implemented when any part of this plan has been placed in effect, operations will be in accordance with the requirements of that portion of the SCATANA plan which is in effect. If any part of the SCATANA plan is ordered while dispersal is in progress, dispersal operations will be revised as required to comply with SCATANA.

(8) *Communications.* Direct communications are authroized between appropriate agencies and units for the purpose of coordinating and implementing the procedures in this plan.

(9) *Review and revision.* All concerned agencies are encouraged to continuously monitor this plan for adequacy and currency. Hq NORAD, acting as executive agent for DoD, will process and distribute administrative and organizational changes as they occur. However, this plan will be reviewed at least once every two years by FAA, FCC, and NORAD and reissued or changed as required. Recommended changes should be forwarded to:

Headquarters, North American Air Defense Command.
Ent Air Force Base, Colorado 80912.

(f) *Responsibilities.* (1) The Commander in Chief, NORAD will:

(i) Establish the military requirements for the Security Control of Air Traffic and Air Navigation Aids.

(ii) Coordinate with the Administrator, FAA, and the Defense Commissioner, FCC, as appropriate, regarding the establishment of procedures for implementation.

(2) The Administrator, FAA will:

(i) Promulgate the necessary FAA directives/plans, including special ATC procedures to implement this plan.

(ii) Coordinate with appropriate military authorities prior to the establishment of procedures for this plan.

(iii) Maintain liaison with appropriate NORAD region commanders through appropriate FAA offices.

(iv) Administer this plan in accordance with requirements established by the Commander in Chief, North American Air Defense Command.

(v) Collaborate with the FCC in establishing procedures for control of non-Federal NAVAIDS as defined in this plan.

(3) Federal Communications Commission will:

(i) Engage in rule making or other actions as appropriate in support of this plan.

(ii) Collaborate with the FAA in establishing procedures for control on non-Federal NAVAIDS as defined in this plan.

(4) Appropriate Military Authorities will:

(i) Direct the control of NAVAIDS (VOR, VORTAC, TACAN and LORAN) in their areas, as required.

(ii) Issue security control instructions to appropriate FAA region/ARTCC as necessary to insure performance of their air defense mission.

(iii) Maintain liaison with appropriate FAA regional directors and FCC Regional Liaison Officers.

(iv) Conduct tests of this plan in coordination with the FAA and FCC.

(v) Collaborate with the FAA regional director and FCC Regional Liaison Officer in making supplemental agreements to this plan.

(5) The FAA Regional Directors will:

(i) Assure FAA participation with the NORAD region commanders in the testing of this plan in the NORAD region areas.

(ii) Ensure dissemination of information and instructions concerning this

plan within their areas of responsibility to civil and military aeronautical facilities and civil pilots.

(iii) Place in effect procedures outlined in this plan in accordance with requirements established by appropriate military authorities.

(iv) Assist appropriate military authorities in making supplemental agreements to this plan as may be required.

(6) The FCC Regional Liaison Officers will:

(i) Maintain liaison with the NORAD region commanders and FAA regional directors with regard to participation of FCC licensed aeronautical navigational aids in this plan.

(ii) Disseminate information and instructions concerning this plan to FCC licensed navigational aids affected by this plan.

(iii) Assist the NORAD region commanders in making such supplemental agreements to this plan as may be required.

(7) Commanders of Responsible Major Commands will:

(i) Ensure that the air traffic movement sections of the Emergency War Plans are coordinated with appropriate military authorities.

(ii) Ensure that flight plans in support of their coordinated Emergency War Plans are prepositioned with appropriate military authorities and the FAA. (See § 245.6).

(iii) Identify specific NAVAIDS (VOR, VORTAC, TACAN and LORAN) which are essential to support contingency operations of assigned forces during implementation of SCATANA. The appropriate military authority will, except under actual emergency air defense situations, ensure that such air NAVAIDS within their area of responsibility remain in operation. Control of LORAN C will be in accordance with the JCS Master Navigation Plan (SM 525–XX). If actual emergency air defense situations require shutdown of these air NAVAIDS, the appropriate military authority will immediately notify the respective commander of the affected major command of the shutdown.

§ 245.4 Application of Emergency Security Control of Air Traffic (ESCAT).

(a) *Situation.* Emergency conditions exist which threaten national security but do not warrant the declaration of Defense Emergency, Air Defense Emergency or the control of air NAVAIDS.

(b) *Intention.* To provide for the most effective use of airspace in the affected area by:

(1) Ensuring that the position of all friendly air traffic is known and can be contacted by radio, if necessary.

(2) Controlling the density of air traffic operating in airspace critical to the conduct of air defense operations.

(c) *Application.* (1) The appropriate military authority will take the following actions:

(i) Direct the affected ARTCCs to apply ESCAT.

(ii) Specifically define the affected area.

(iii) Define the types of restrictions to be placed in effect. These may require the diverting and rerouting of traffic, the restricting of traffic to certain areas or corridors, and the initiating of a requirement to obtain a Security Control Authorization prior to take-off.

(iv) Within NORAD, the region commander will advise CINCNORAD who will then advise the Administrator, FAA and the Defense Commissioner, FCC, that ESCAT has been applied. Outside NORAD the appropriate military authority will advise the Administrator, FAA and the Defense Commissioner, FCC directly. When time is vital notification may occur after ESCAT has been implemented.

(v) Direct the appropriate ARTCCs to relax or terminate restrictions as the tactical situation allows.

(2) ARTCCs will take the following actions when directed to apply ESCAT:

(i) Disseminate ESCAT instructions and restrictions received to air traffic, civil and military air traffic control facilities, flight service stations and other appropriate aeronautical facilities.

(ii) Impose the restrictions on air traffic as directed by the appropriate military authority. The restrictions will automatically include instructions

for all VFR traffic to land at the nearest suitable airport and file an IFR/DVFR flight plan.

(iii) Civil and military air traffic control facilities, and other aeronautical facilities will disseminate to air traffic and aircraft operators, and will implement, those instructions and restrictions received from the ARTCCs. When an IFR or DVFR flight plan has been filed, it will be examined by the appropriate aeronautical facility to ensure that it conforms with the ESCAT restrictions placed in effect by the appropriate military authority. When a flight plan does conform with the ESCAT restrictions, the appropriate aeronautical facility will grant a Security Control Authorization and the flight can then be given take-off clearance. When a flight plan does not conform with the ESCAT restrictions, a Security Control Authorization will not be given and take-off clearance will be denied.

(iv) The pilot in command will take the following actions when ESCAT is applied:

(*a*) If airborne, comply with the instructions issued by the appropriate aeronautical facility.

(*b*) If not airborne, file an IFR or DVFR flight plan prior to take-off and comply with the instructions issued by the appropriate aeronautical facility.

(*c*) Aircraft which are not radio equipped may not file an IFR or DVFR flight plan and will not be permitted to operate in areas affected by ESCAT.

§245.5 Implementation of Security Control of Air Traffic and Air Navigation Aids.

(a) *Situation*. Three types of situations may require the implementation of SCATANA.

(1) In the first of these, an emergency has arisen which has resulted in the declaration of an Air Defense Emergency within the NORAD area. Under this condition SCATANA will be automatically implemented.

(2) In the second situation, which applies only to NORAD, a NORAD region commander may direct implementation of SCATANA for his region when his region or an adjacent region is under attack and Air Defense Emergency has not yet been declared.

(3) In the third situation, an emergency has arisen which has resulted in the declaration of a Defense Emergency outside the NORAD area. Under this condition, SCATANA may be considered for implementation.

(b) *Intention*. To provide for the most effective use of airspace by aircraft of civil and military agencies by:

(1) Exercising security control of civil and military aircraft entering, departing or moving within the U.S. areas and their coastal approaches.

(2) Selectively limiting air traffic, consistent with air defense requirements.

(3) Exercising control over the following air navigation systems: VOR, VORTAC, TACAN and LORAN.

(c) *Implementation*. (1) The appropriate military authority will take the following actions:

(i) Direct the appropriate ARTCC to implement SCATANA.

(ii) Specify what restrictions are to be implemented, such as:

(*a*) Routing restrictions on flights entering or operating within appropriate portions of the defense area.

(*b*) Restrictions for the volume of air traffic within the defense area, using the WATPL (See §245.8) and Security Control Authorizations.

(*c*) Altitude limitations on flight operations in selected areas.

(*d*) Special instructions concerning the control of accurate navigation aids which permit their use for friendly aircraft operations. This includes continued operation, as long as the actual air defense situation permits, of those air NAVAIDS essential to support other major command contingency operations.

(*e*) Confirmation or modification of previous instructions which may have been implemented with the application of ESCAT.

(iii) Revise or remove restrictions to the movement of air traffic and control of air navigation aids as the tactical situation permits.

(2) ARTCCs will take the following actions when directed to implement SCATANA:

(i) Disseminate SCATANA implementation instructions to civil and military air traffic control facilities and

other appropriate aeronautical facilities.

(ii) Impose the restrictions on air traffic as directed by the appropriate military authority. The restrictions will automatically include instructions for all VFR traffic to land at the nearest suitable airport and file an IFR or DVFR flight plan. Landing, diversion or dispersal of traffic, when ordered, will be to airports outside of metropolitan areas or likely target complexes whenever possible. Instructions will be passed over normal air/ground/air radio channels.

(iii) As directed by the appropriate military authority, implement the control of VOR, VORTAC, TACAN, and LORAN as follows:

(*a*) Shut down the above navigation aids in accordance with the military command/FAA region supplemental agreements. These shall permit time to land/disperse airborne aircraft, and shall provide for the extension of such times when the air traffic situation dictates.

(*b*) Aids which require more than five minutes control time shall be shut down as soon as possible, except when directed otherwise by the appropriate military authority, or unless such aids are essential for the regulation and control of existing air traffic.

(*c*) Direct the control of air navigational aids to ensure that required aids, as indicated in flight plans, will be available for authorized aircraft flights.

(iv) When directed to reduce or remove SCATANA restrictions, authorize resumption of air traffic and operation of air navigation aids as specified by the appropriate military authority.

(3) Civil and military air traffic control facilities, and other appropriate aeronautical facilities will:

(i) Maintain the current SCATANA ACTION Form for that facility at appropriate operating positions.

(ii) When SCATANA is implemented or terminated, take the actions indicated on the facility's SCATANA ACTION Form.

(iii) Maintain current information on the status of restrictions imposed on air traffic.

(iv) Approve or disapprove filed flight plans in accordance with current instructions received from the ARTCCs. Approval will indicate that the flight is permitted under the WATPL priority currently in effect or that the flight has been granted a Security Control Authorization.

(v) Forward flight plans and approval requests to the ARTCC as required.

(vi) Disseminate instructions and restrictions to air traffic as directed by the ARTCCs.

(4) The pilot in command will conform to security control instructions as follows:

(i) IFR flights—comply with instructions received from the appropriate aeronautical facility.

(ii) VFR flights—land at the nearest suitable airport when so directed.

(iii) Aircraft on the ground—file an IFR or DVFR flight plan with the proper FAA facility and receive approval prior to departure.

§ 245.6 Tactical Air Movement Plans.

(a) *Situation.* In a situation when Emergency War plans and other contingency plans are being implemented, the large volume of tactical air traffic generated is likely to result in conflicting requirements for the available airspace. It is obvious that such conflicts should be minimized in order to prevent saturation of the air defense system, yet at the same time permit the orderly execution of the various contingency plans. To this end, it is essential that responsible military commanders coordinate fully with the appropriate military authorities responsible for air defense to ensure that conflicting situations can be resolved while emergency plans are still under development. The provisions of this section do not apply to Strategic Air Command (SAC) Emergency War Orders (EWOs) for which special coordination has been effected between SAC, NORAD and FAA agencies.

(b) *Intention.* To establish coordination procedures necessary to fulfill air defense and air traffic control requirements for the movement of tactical air traffic and identify specific air NAVAIDS which are essential to support contingency operations of major command forces during implementation of SCATANA.

(c) *Execution.* (1) Commanders of Major Commands (or ''Responsible Military Commanders'') are to ensure that:

(i) The air traffic movement sections of their Emergency War Plans (including dispersal, evacuation and other related contingency plans) and the specific air NAVAIDS essential to support contingency operations are fully coordinated during development with the appropriate military authority responsible for air defense. In the NORAD area of responsibility the authority is the NORAD region commander. When flights will transit more than one region, coordination must be effected with all of the region commanders involved. The NORAD region commander will effect necessary coordination on those tactical operations with the FAA through the Region Air Defense Liaison Officer (RADLO).

(ii) Subsequent to the coordination required in the paragraph (c)(1)(i) of this section, extracts of the air traffic movement section of their plans are to be passed to the appropriate military authorities. The extracts are to be prepared according to the format shown in §245.7. In the NORAD area of responsibility the extracts are to be sent to the Commander of the NORAD region in which the flights originate.

(2) Responsible military authorities will:

(i) During the coordination phase, ensure that proposed aircraft movements do not conflict in time, altitude, route or any other respect with other planned movements. Potential conflicts are to be resolved through negotiations with the commands involved.

(ii) On receipt of the tactical air movement plan extracts, review again their impact on the overall air situation, incorporate the extracts into the unit SCATANA plan, as supplements, and distribute the extracts to appropriate military agencies, FAA regions and ARTCCs.

§245.7 Extract of Tactical Air Movement Plan.

(Unit) _____
(Office symbol) _____
Address _____

Project officer name and phone number
Mission name:

SCATANA _____
(NORAD region of flight plan origination)

(Number assigned by region)

(WATPL number)

(a) _____

(Call sign, or VCSL block/line of flight lead)

(b) _____

(Number and type aircraft/NAV equip)

(c) _____

(Departure base, ICAO 4 letters)

(d) _____

(Level-off point/elasped time) (direct or airway route)

_____

Points to penetration fix

(e) _____

(Destination/total time enroute) (ICAO 4 letters)

(f) ''E'' hour plus _____

(ETD)

(Interval planned between aircraft, cells, or flights)

Altitude Reservation Void on hour after last ETD.

(g)_____KT.

(TAS)

MARSA within this flight.

(Military assumes responsibility for separation of aircraft)

All other call signs are: _____

§245.8 Wartime Air Traffic Priority List (WATPL).

(a) *Situation.* When SCATANA is implemented, a system of traffic priorities is required in order to ensure that optimum use is made of airspace, consistent with air defense requirements. This system will be the prime means of controlling the volume of air traffic. (The Security Control Authorization will be used as a supplement to WATPL.)

(b) *Intention.* To establish a WATPL for the movement of air traffic when SCATANA has been implemented, and to provide policy guidance for the practical application of the system. Priorities shall take precedence in the order listed and subdivisions within priorities are equal.

(c) *Wartime Air Traffic Priority List*—(1) *Priority One.* (i) Aircraft engaged in active continental defense missions.

This includes interceptors, antisubmarine aircraft and airborne early warning and control aircraft.

(ii) Retaliatory aircraft, including their direct support aircraft, executing EWO.

(iii) Airborne command elements which provide backup to command and control systems for the combat forces.

(iv) The President of the United States and Prime Minister of Canada and respective cabinet members essential to national security.

(2) *Priority Two.* (i) Forces being deployed for or in direct and immediate support of combat operations against the enemy to include the use of activated Civil Reserve Air Fleet (CRAF) aircraft as necessary.

(ii) SAC aircraft in direct and immediate support of EWO not included in priority one.

(iii) Search and rescue aircraft operating in support of these activities.

(3) *Priority Three.* (i) Forces being deployed in support of combat operations against the enemy.

(ii) Continental Air Reconnaissance for Damage Assessment (CARDA) missions for the support of immediate combat operations.

(iii) Search and rescue aircraft not included in priority two.

(iv) Flight inspection aircraft flights in connection with emergency restoration of airway and airport facilities in support of immediate combat operations.

(4) *Priority Four.* Dispersal of:

(i) Tactical military aircraft.

(ii) U.S. air carrier aircraft assigned to the War Air Service Program (WASP).

(iii) U.S. civil air carrier aircraft allocated to the CRAF Program.

(iv) FAA flight inspection aircraft.

(v) Foreign civil air carrier aircraft in the U.S. in accordance with specific international agreements.

(vi) Public aircraft assigned to FAA and other Federal agencies.

(5) *Priority Five.* (i) The air transport of military commanders, their representatives, and DoD sponsored key civilian personnel which is of the utmost importance to national security, or which will have an immediate effect upon combat operations of the Armed Forces.

(ii) Dispersal of nontactical military aircraft for their protection.

(iii) Public aircraft assigned to FAA and other Federal agencies.

(6) *Priority Six.* (i) Flight operations in accordance with approved Federal and State emergency plans (WASP and SARDA). U.S. civil air carrier flights will operate under the provisions of CAB Air Transport Mobilization Order ATM–1, ''Route Authorizations and Operations,'' and the WASP. Foreign civil air carrier flights will operate in accordance with specific international agreements.

(ii) Other essential CARDA missions not included in paragraph (c)(3)(ii) of this section.

(iii) Flight inspection activity in connection with airway and airport facilities.

(7) *Priority Seven.* Other military flight operations.

(8) *Priority Eight.* All other flight operations not specifically listed above.

(d) *Policy for Application of WATPL.* (1) The restrictions embodied in the WATPL will apply to all aircraft except those in receipt of a Security Control Authorization.

(2) Priority will be solely dependent on the nature of the aircraft's mission. Operational test flights will take the priority of the mission aircraft tested.

(3) The originator of a request for aircraft movement will be responsible for determining and verifying the appropriate priority in accordance with the list described above.

(4) The individual filing the flight plan will be responsible for including the priority number as determined by the originator of the request.

(5) During general war conditions, situations may occur which cannot be related to the WATPL. Aircraft emergencies and inbound international flights which have reached the point of no return, including foreign air carrier flights enroute to safe haven airports in accordance with specific international agreements are examples of such situations. These incidents must be treated individually through coordination between ATC and appropriate military agencies in consideration of the urgency of the inflight situation and existing tactical military conditions.

(6) During periods other than general war, aircraft movements are handled as follows:

(i) Involvement in limited war or execution of contingency plans, to include JCS directed actions, immediately makes successful completion of such action a primary national objective. Therefore, aircraft movements in support of these actions will be afforded expeditious handling by the ATC system commensurate with the degree or urgency stated by the JCS to the FAA. When directing the execution of a contingency/limited war plan, or other JCS directed operation which is in pursuit of primary national objectives, the JCS will so advise the FAA (or appropriate Canadian authority if Canadian airspace is involved), requesting that aircraft operating in accordance with such plans be given preferential handling over all air traffic except active air defense missions and launch of the strategic alert force and supporting aircraft. Should contingency, limited warfare, or other JCS directed plans be executed concurrently by more than one operational commander, the JCS will state to the FAA (or appropriate Canadian authority when Canadian airspace is involved), and the military commanders concerned, the relative urgency of each operation and will resolve conflicts that may arise therefrom.

(ii) Assignment of reserved airspace to accommodate military air operations which, because of their objectives, cannot be conducted in accordance with routine ATC procedures will be based upon an order of precedence for the purpose of resolving mission conflicts in planning altitude reservations. This order of precedence is published in appropriate Joint Service Regulations and FAA documents.

(7) Priorities for air traffic clearances required under the SCATANA plan are not to be confused with civil priorities assigned to civil air carrier aircraft under the WASP priorities system, or to general aviation civil aircraft under the SARDA plan. WASP and SARDA priorities are designed to provide for controlled use of civil aircraft capability and capacity, and they have secondary significance when the WATPL for the movement of aircraft is in effect.

§245.9 Procedures for movement of air traffic.

(a) *Situation.* The primary instrument used by NORAD region commanders to control the volume of air traffic operating within their areas of responsibility is the WATPL for Movement of Air Traffic (§245.8).

(b) *Intention.* To establish procedures necessary for the expeditious movement of tactical air traffic during periods when SCATANA is in effect.

(c) *Execution.* (1) Tactical air traffic assigned a WATPL number of 1 or 2 will not be delayed, diverted, rerouted, or landed by NORAD region commanders. However, NORAD region commanders may recommend that this traffic be rerouted to avoid battle or battle threatened areas.

(2) Air traffic assigned a WATPL number other than 1 or 2 may be delayed, diverted, rerouted, or landed by the NORAD region commander to prevent degradation of the air defense system.

(3) Aircraft being ''recovered'' will be expedited to home or alternate base, and ''search and rescue'' aircraft expedited on their missions; but such aircraft may be diverted to avoid battle areas or take off may be delayed to prevent saturation of airspace.

(4) Tactical air traffic will file IFR flight plans and comply with IFR procedures regardless of weather. The appropriate WATPL number will be entered in the Remarks section in the Aircraft Clearance Form DD 175. The WATPL number will be posted on ARTCC flight strips passed from one ARTCC to the next, and to the appropriate air defense control facilities.

(5) For mass military operations a single clearance form will be filed and ALTRAV procedures will be applied.

(6) Compliance with approved flight plan and position report requirements is of utmost importance for identification. Aircraft aborting or deviating from an approved flight plan will airfile a revised flight plan as soon as the necessity for such deviation is evident. Unauthorized deviations may preclude identification and result in engagement by defensive weapons.

(d) *Special operations.* (1) The volume of air traffic in areas critical to air defense can be controlled by means of the WATPL. In areas that are not critical to air defense or in areas of poor or no radar coverage, the appropriate military authority may wish to authorize additional specific flights which may not qualify for a high enough priority under the WATPL. When ESCAT or SCATANA have been implemented the appropriate military authority may authorize flights by granting a Security Control Authorization to the ARTCC or agency requesting the clearance.

(2) The following flights may require the granting of a Security Control Authorization prior to take off:

(i) Organized civil defense missions.

(ii) Disaster relief flights.

(iii) Agricultural and forest fire flights.

(iv) Border patrol flights.

(v) SARDA flights prior to WATPL Six.

§ 245.10 SCATANA testing.

(a) *Situation.* To insure that SCATANA actions can be taken expeditiously, SCATANA tests will be conducted periodically.

(b) *Intention.* (1) SCATANA tests will be conducted in connection with Headquarters NORAD or NORAD region large-scale simulated exercises. Additional tests may be conducted by individual NORAD regions when test objectives are local in nature.

(2) All Federal facilities responsible for SCATANA actions will participate in SCATANA tests, except where such participation will involve the safety of aircraft. Non-federal civil aeronautical facilities may be requested to participate.

(c) *Execution.* (1) During SCATANA tests, all actions will be simulated.

(i) Aircraft will not be grounded or diverted.

(ii) Air navigation aids will not be shut down.

(iii) Test messages will not be transmitted over air/ground/air radio frequencies.

(iv) Radio communications will not be interrupted.

(2) For NORAD Exercises.

(i) If ESCAT is applied by CINC NORAD, this fact will be passed to the Region SCATANA Officer in plain language. Region SCATANA officers may call or simulate calling the appropriate ARTCC using the following statement:

This is a NORAD exercise. Apply ESCAT. ARTCC acknowledge and take no further action.

(ii) If ESCAT is applied or SCATANA is implemented by the Region Commander, the Region SCATANA Officer may simulate the call or may make an actual call using the format shown in paragraph (c)(2)(i) of this section, and inserting ESCAT or SCATANA as appropriate.

(3) SCATANA Test. This is a test conducted by ARTCC's in which SCATANA participants conduct simulated notification actions required by the plan. Timing of the test will be at the discretion of the ARTCC. A narrative summary of each test is to be prepared by the ARTCC MLO and copies sent to appropriate NORAD Region SCATANA Officer, FAA Region MLO, FAA NORAD RDLO and FAA NORAD Hq LO. FAA NORAD Hq LO will be responsible for reviewing the SCATANA tests reports and recommending changes to the testing procedures to Hq NORAD as deemed appropriate. The SCATANA tests will be conducted at least quarterly.

(4) SCATANA Diversion Simulation. This is a test designed to exercise ARTCC personnel in making decisions on aircraft diversion which would be required under actual implementation of the plan. The timing of the simulation will be pre-coordinated between the ARTCCs and the NORAD Region SCATANA Officer. The guideline timeframe for the area recovery of all nonessential air traffic in actual operations has been fixed at an optimum of twenty minutes; diversion simulation exercises should operate on a similar timeframe. Tests will be conducted at least semi-annually.

(i) The NORAD region will provide charts to the ARTCC for the recording of simulated aircraft diversions. The completed charts will be passed to the NORAD Region SCATANA Officer for analysis. The NORAD Region SCATANA Officer will brief region

staffs on the results of the exercise and FAA representation will be invited.

(ii) The charts will record the position of all live aircraft on IFR clearances in the ARTCC's area at the time ESCAT was simulated, the position of all aircraft when SCATANA was simulated, and will show the airports to which simulated diversions were made.

§245.11 Authentication.

Authentication is not required between NORAD Region Control Centers and ARTCCs for the implementation of SCATANA.

PART 246—STARS AND STRIPES (S&S) NEWSPAPER AND BUSINESS OPERATIONS

Sec.

246.1 Purpose.
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APPENDIX A TO PART 246—MISSION
APPENDIX B TO PART 246—BUSINESS AND FINANCIAL OPERATIONS
APPENDIX C TO PART 246—PERSONNEL POLICIES AND PROCEDURES
APPENDIX D TO PART 246—EDITORIAL OPERATIONS
APPENDIX E TO PART 246—STARS AND STRIPES (S&S) BOARD OF DIRECTORS

AUTHORITY: 10 U.S.C. 136.

SOURCE: 59 FR 19137, Apr. 22, 1994, unless otherwise noted.

§246.1 Purpose.

This part:

(a) Establishes policy, assigns responsibilities, and prescribes procedures for the S&S organizations owned by designated Unified Commands consistent with 32 CFR part 372.

(b) Supersedes policies and procedures in 32 CFR part 247 about the S&S newspapers.

(c) Authorizes the establishment, management, operation, and oversight of the Stars and Stripes, including the resale of commercial publications necessary to support the overall S&S mission, production, distribution authority, and business operations as mission-essential activities of the Department of Defense and the designated Unified Commands.

(d) Designates the Secretary of the Army as the DoD Executive Agent for providing administrative and logistical support to the American Forces Information Service (AFIS), designated Unified Commands, and the S&S.

(e) Authorizes the Commander in Chief, U.S. European Command, and the Commander in Chief (CINC), U.S. Pacific Command, to establish and maintain a S&S board of directors to address S&S business operations in their Unified Commands.

§246.2 Applicability.

This part applies to the Office of the Secretary of Defense, the Military Departments (including their National Guard and Reserve components), the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Unified and Specified Commands, the Inspector General of the Department of Defense, the Defense Agencies, and the DoD Field Activities (hereafter referred to collectively as ''the DoD Components''). The term ''the Military Services,'' as used herein, refers to the Army, the Navy, the Air Force, and the Marine Corps.

§246.3 Definitions.

(a) *Adverse Conditions.* Conditions that may adversely affect the survival of the newspapers such as troop drawdown, increase in troop population, currency fluctuations, inflation, armed conflict, national contingency deployment, and others.

(b) *S&S Commander/Publisher.* The senior position in each S&S responsible for simultaneously performing dual functions. This military officer commands the S&S to which assigned, while also serving as the publisher of the Stars and Stripes produced by that organization.

(c) *S&S Management Action Group (MAG) and S&S Steering Committee.* These are ad hoc joint committees between the Office of the Assistant Secretary of Defense (Public Affairs) [OASD (PA)] and the Office of the Assistant Secretary of Defense (Force Management and Personnel) [OASD (FM&P)] that address S&S personnel and business policies. The S&S MAG is

chaired by the senior OASD (PA) AFIS member and includes members from the OASD (FM&P) and other DoD offices with the authority and expertise to address various S&S problems. The Director of the AFIS, and the Deputy Assistant Secretary, OASD (FM&P), serves as co-chairman of the S&S Steering Committee that addresses DoD-level S&S issues. Neither the DoD S&S Steering Committee, nor the S&S MAG, involve themselves in Stars and Stripes editorial policies.

(d) *S&S Ombudsman.* A highly qualified journalist hired from outside the Department of Defense for a term of 3 years who independently advises the Unified Command CINCs, the S&S commander/publisher, the Stars and Stripes editor, the Director of the AFIS, and the Congress on matters of readership interest in the Stars and Stripes.

(e) *Stars and Stripes.* The title of one, or both, depending on the context of usage, of the newspapers produced by the S&S.

(f) *Stars and Stripes Editor.* The senior civilian position on the newspaper editorial staff of the S&S to which he or she is assigned. All mention of ''the editor'' in this part refers exclusively to this position, unless otherwise specified.

(g) *Stars and Stripes (S&S).* The organizations that perform the administrative, editorial, and business operations, which include newspapers, bookstores, job-printing plants, etc. necessary to do their mission.

§ 246.4 Policy.

It is DoD policy that:

(a) The U.S. European Command and the U.S. Pacific Command are authorized to publish the Stars and Stripes and provide support to the S&S. The Unified Command component commanders and their public affairs staffs shall provide the Stars and Stripes editorial staffs the same help provided to commercial newspapers, in compliance with the principles governing the release of information to media in 32 CFR part 375.

(b) Editorial policies and practices of the Stars and Stripes shall be in accordance with journalistic standards governing U.S. daily commercial newspapers of the highest quality, with emphasis on matters of interest to the Stars and Stripes readership. Except as provided in paragraph (e) of this section, the DoD policy for the Stars and Stripes is that there shall be a free flow of news and information to its readership without news management or censorship. The calculated withholding of unfavorable news is prohibited.

(c) The S&S are basically self-sustaining operations. Each S&S shall be administered in accordance with DoD Directive 1015.1[1] as a joint-Service nonappropriated fund (NAF) instrumentality (NAFI) in its Unified Command, except where different procedures are specified in this part. Funding shall be provided through newspaper sales, resale of commercial publications, authorized advertising, job printing, and appropriated fund (APF) support as authorized by this part, DoD Directive 1015.6[2] and DoD Instruction 1330.18[3]. The S&S shall conduct bookstore operations similar to business operations of commercial bookstores in the United States. The Stars and Stripes and the S&S bookstores provide important news and information to U.S. personnel and their families stationed overseas while generating NAF revenues.

(d) The Stars and Stripes personnel procedures shall differ from commercial newspapers only because the S&S are U.S. Government organizations that are required to operate in accordance with the following:

(1) 32 CFR part 40, other Federal laws and DoD Directives that affect all DoD employees, and the Manual for Courts Martial (MCM), 1984[4], for S&S military personnel on active duty.

(2) National security constraints prescribed by E.O. 12356 (47 FR 14874 and 15557, 3 CFR, 1982 Comp., p. 166).

(3) Overseas status of forces agreements (SOFAs), where applicable.

(e)(1) The only circumstances under which news or information that is not in the public domain may be directed to be withheld from publication in the

[1] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

[2] See footnote 1 to § 246.4(c).

[3] See footnote 1 to § 246.4(c).

[4] See footnote 1 to § 246.4(c).

Stars and Stripes by a Unified Command CINC are when such publication:

(i) Involves disclosure of classified national security information.

(ii) Would adversely affect national security.

(iii) Clearly endangers the lives of U.S. personnel.

(2) Those circumstances in paragraphs (e)(1)(i) through (e)(1)(iii) may not be construed to permit the calculated withholding of news unfavorable to the Department of Defense, the Military Services, or the U.S. Government. Only the Unified Command CINC may authorize withholding of news or information from the Stars and Stripes. When the CINC directs withholding of publication, the Unified Command shall immediately inform the ASD(PA) by telephone and then forward an immediate precedence, appropriately classified, message to the following: SECDEF Washington DC// OATSD–PA, with information copies to the Director, AFIS, and the Special Assistant for Public Affairs to the Chairman of the Joint Chiefs of Staff. The CINC may include the appropriate ''AMEMBASSY'' as an information addressee.

(f) Sensitivities of host-nations shall not be a reason to withhold any story from publication in the Stars and Stripes. The Unified Command theater host-nation sensitivity lists prepared for the Armed Forces Radio and Television Service (AFRTS) shall not be used to restrict the content of the Stars and Stripes. If representatives of other governments show an interest in, or concern about, the content of the Stars and Stripes, they shall be informed that:

(1) The Stars and Stripes does not represent the official position of the U.S. Government, including the Department of Defense or the Unified Command.

(2) The Stars and Stripes is an unofficial, abstracted collection of commercial news and opinion available to commercial newspapers in the United States, along with Stars and Stripes editorial staff-generated DoD, command, and local news and information. The Stars and Stripes provides this information to the members of the Department of Defense and their family members serving overseas, as do commercial daily newspapers that are published and sold throughout the United States in keeping with the principles of the First Amendment to the U.S. Constitution.

(g) The Department of the Army shall be the DoD Executive Agency to provide APF and NAF support to the S&S. APFs shall be provided, when required by adverse conditions or special circumstances as defined in §246.3, by the Military Services, as agreed on through a memorandum of agreement (MOA) detailing the shared responsibilities, and approved by the OSD and the Unified Commands.

§246.5 Responsibilities.

(a) The Assistant to the Secretary of Defense (Public Affairs), under 32 CFR part 375, as the principal staff assistant to the Secretary of Defense for internal information policy and programs, including S&S matters, shall:

(1) Provide policy and broad operational guidance to the Director of the AFIS.

(2) Monitor and evaluate the overall effectiveness of the policies in §246.4, and procedures in §246.6.

(b) The Director, American Forces Information Service, under 32 CFR part 372 shall:

(1) Develop, issue, and oversee the implementation of policies and procedures for the Unified Commands and the Military Departments for the operation of the S&S.

(2) Provide business and policy counsel on the mission performance and financial operations of the S&S.

(3) Serve as the DoD point of contact with the Congressional Joint Committee on Printing (JCP) for S&S matters.

(4) In coordination with the Chairman of the Joint Chiefs of Staff and the ATSD(PA), provide broad and overall planning guidelines to the Unified Commands for S&S wartime operations that involve more than one area of responsibility.

(5) Chair, as required, at the Deputy Assistant to the Secretary of Defense level, or above, the steering committee providing guidance to the S&S MAG.

(6) Select and employ the S&S Ombudsman.

(c) The Secretaries of the Military Departments shall:

(1) Nominate the most highly-qualfied military personnel for positions in the S&S in acordance with appendix C to this part.

(2) Enter into appropriate MOAs, as provided by the Unified Commanders and, as required by the Office of the Secretary of Defense (OSD), to provide APF and/or NAF support when required by adverse conditions as defined in § 246.3(a).

(d) The Secretary of the Army shall:

(1) Provide administrative and logistic support, as the DoD Executive Agent, to the S&S organizations.

(2) Support NAF and APF accounting and reporting procuedures required by DoD Instruction 7000.12[5], in coordination with the Unified Commands and the Director of the AFIS.

(3) Designate the successor-in-interest to the S&S, as agreed upon by the applicable Unified Command and the Director of the AFIS.

(e) The Commander in Chief, U.S. European Command, and the Commander in Chief, U.S. Pacific Command, shall:

(1) Authorize a Stars and Stripes newspaper, provide operational direction to the S&S commander publisher, and support the S&S throughout the Unified Command area of responsibility, consistent with each organization's status as a category B NAFI.

(2) Provide Unified Command regulations and guidance, as needed, to carry out this part.

(3) Establish procedures to resolve situations wherein a U.S. Ambassador (or, if so designated, the chief of mission) believes a specific issue in his or her nation of responsibility, not already in the public domain through other news sources, would violate national security or endanger the safety of American citizens, or other persons under their jurisdiction, if it were to be published in the Stars and Stripes.

(4) Select the S&S commander/publisher and other military officers in S&S positions.

(5) Aid the S&S commander/publisher to educate the Stars and Stripes editorial staff about the missions of their Unified Command and Military Service component commands.

(6) Approve the selection of the Stars and Stripes editor.

(7) Establish and maintain a S&S board of directors to address S&S business operations. (See appendix E to this part)

(8) Establish and maintain Stars and Stripes readership forums, which may take many forms, to address Stars and Stripes matters of interest and S&S bookstore operations. Those forums are to provide community feedback to the S&S. This will enable the S&S commander/publisher and the Stars and Stripes editor to better understand and, thereby, better serve the interests and needs of the readers and bookstore customers.

(9) At the discretion of the Unified Command CINC, provide for meetings between the S&S commander/publisher and the Stars and Stripes editor, the Unified Command public affairs office, and the Unified Command component commands, represented by their directors of public affairs, to discuss the performance of the Stars and Stripes and the performance of related public affairs operations. The Unified Commands, their component commands, and the S&S may invite any attendees they choose. Representatives from the AFIS may attend. Those meetings may not serve as editorial advisory boards. The Unified Command and component commands represent the principal source, and a prominent subject, of Stars and Stripes staff-generated news coverage. Consequently, any involvement or appearance of involvement by component command staffs in the Stars and Stripes editorial policy creates an unacceptable conflict of interest damaging to the editorial integrity and credibility of the Stars and Stripes.

(10) Ensure that the S&S Commander/Publisher:

(i) Assumes the duties and responsibilities of command, leadership, management, and training for the S&S.

(ii) Executes DoD and Unified Command policy.

(iii) Is responsible to the Unified Command CINC for S&S operations to include the newspaper publication and timely circulation, the operation of the

[5] See footnote 1 to § 246.4(c).

S&S resale and job printing activities, and associated distribution systems in the relevant Unified Command area of responsibility.

(iv) Provides planning and execution of initiatives to ensure support of U.S. Armed Forces during contingency operations and armed conflict. The S&S commander/publisher shall identify wartime and contingency S&S personnel asset requirements to the Unified Command CINC to fulfill the Unified Command force responsibilities during armed conflict.

(v) Selects the Stars and Stripes editor.

(vi) Approves, in coordination with the Stars and Stripes editor, military personnel selectees for the Stars and Stripes editorial staff. (See appendix C to this part)

(vii) Provides a current status briefing and 2-year financial forecast to the Director of the AFIS at the annual AFIS S&S meeting. Provides support to the S&S board of directors as required in appendix E to this part.

(viii) Conducts frequent independent readership surveys, in accordance with DoD Instruction 1100.13[6], and readership focus groups to gather information.

(f) The Other Unified Commanders in Chief shall ensure that their deployment exercise, contingency, and wartime planning documents reflect the S&S transportation, funding or reimbursement, and in-theater distribution requirements, as applicable. Information copies of such planning documents or annexes shall be furnished to the following:

(1) U.S. European Command (ATTN: Director, Public Affairs).

(2) U.S. Pacific Command (ATTN: Director, Public Affairs).

(3) The AFIS (ATTN: Assistant Director for Plans and Policy).

§246.6 Procedures.

(a) *General.* (1) Authority to establish or disestablish S&S operations is from the Secretary of Defense through the ATSD(PA) and the Director of the AFIS. The Unified Commands shall forward such requests to the Director of the AFIS, as required.

(2) Classified information shall be protected in accordance with 32 CFR parts 159 and 159a.

(3) The Stars and Stripes and the S&S business operations shall conform to applicable regulations and laws involving libel, copyright, U.S. Government printing and postal regulations, and DoD personnel policies and procedures.

(4) With the concurrence of the Unified Command, the S&S is authorized direct communication with the Military Services on S&S personnel matters and with the Department of the Army on S&S financial matters. The S&S shall keep the Unified Command and the AFIS informed of all actions.

(b) *Management Review and Evaluation.* (1) The Director of the AFIS provides business counsel, assistance, and policy oversight for the S&S. The Director of the AFIS shall meet annually with the Unified Command representatives, to include the S&S commander/publisher, and senior DoD officials who have S&S responsibilities, such as the S&S MAG.

(2) The Director of the AFIS shall be assisted by a S&S MAG composed of senior representatives from the AFIS, the OASD(FM&P), and the other DoD offices with the authority and expertise to aid in solving S&S problems. As needed, the Director of the AFIS may organize a DoD steering committee to oversee and aid the S&S MAG to address specific concerns identified by the Director of the AFIS and the Unified Command CINCs.

(3) In accordance with DoD Instruction 7600.6[7], and Army implementation thereof, the S&S shall be audited on an annual basis, either by the Army Audit Agency (AAA) or by an AAA-approved audit contractor. NAF funds of the S&S shall be used for such contracts. The audits will be performance audits and may be financial in nature as prescribed by the Comptroller General of the United States Government Auditing Standards. Each annual audit will determine whether prior audit recommendations have been implemented and the reasons any have not been implemented. When the Inspector General, DoD, elects to perform an audit of

[6] See footnote 1 to §246.4(c).

[7] See footnote 1 to §246.4(c).

the S&S organization, such audit may substitute for the required annual audit. The S&S organizations shall coordinate their audit requirements with each other and the Army Community and Family Support Center to the maximum extent practicable to avoid duplication of costs and to increase the efficiency and effectiveness of these audits. Information copies of the audit contractor reports shall be forwarded by the S&S to the Unified Commands, AFIS and AAA. The S&S shall provide a response to the audit to the Unified Command CINC within 60 days of receiving the completed report. The S&S response to the audit must indicate a concurrence or nonconcurrence for each finding and recommendation. For each concurrence the corrective actions taken or planned should be described and completion dates for actions already taken, as well as the estimated dates for completion of planned actions, should be provided. For each nonconcurrence, specific reasons must be stated. If appropriate, alternative methods for accomplishing desired improvements may be proposed. If nonconcurrences in the findings and recommendations cannot be resolved between the S&S management and the auditors or AAA endorses the contractors' findings and recommendations, then the resolution procedures established by DoD Directive 7650.3[8], and Army Regulations should be followed. The Unified Command shall forward the response to the Director of the AFIS and the AAA.

§ 246.7 Information requirements.

The reporting requirements in § 246.6, and appendix B to this part shall be submitted in accordance with DoD Instruction 7000.12, and 7600.6, unless specifically excepted by this part.

APPENDIX A TO PART 246—MISSION

A. *General.* The Stars and Strips (S&S) organizations shall contribute to the overall U.S. joint-defense mission overseas by providing news and information for the Armed Forces internal audiences serving in a Unified Command area of responsibility, or deployed in support of designated joint-Service exercises, contingency operations, or situations of armed conflict. That shall be done through the operation of a daily newspaper and resale activities of commercial publications (primarily through the S&S bookstores).

B. *Newspapers.* The Stars and Stripes coverage of news and information makes possible the continued exercise of the responsibilities of citizenship by DoD personnel and their families overseas. The Stars and Stripes are to be published overseas during peacetime, contingency operations, and armed conflicts. They shall provide the same range of international, national, and regional news and opinion from commercial sources, as is provided by newspapers in the United States. Additionally, to better serve their readers, the Stars and Stripes shall pay special attention to news of local, host-country conditions relevant to their audiences. They shall provide, through their reporters and bureaus, news of local military communities within the theater and news of the U.S. Government, the Department of Defense, the Military Services, and theater operations not usually available to readers from outside commercial sources. The Stars and Stripes are to serve the interests of their overseas DoD readership as do prominent commercial daily newspapers throughout the United States.

C. *S&S Bookstores and Retail Operations.* The S&S shall serve readers' needs for contemporary news and information by providing a broad selection of resale commercial publications of interest to their customers at the most reasonable prices, either directly in the S&S bookstores or through other authorized sales outlets at their discretion throughout the Unified Command designated geographic area. The S&S shall have the same authorities and rights for resale commercial publications that the military exchange services have for other nonsubsistence goods and services.

D. *S&S Job Shop Printing.* The S&S are authorized to operate job shop printing, to include book publishing and/or printing, within the Unified Commands for U.S. military community newspapers, military organizations, nonappropriated fund (NAF) instrumentalities (NAFI), Morale, Welfare, and Recreation (MWR) activities, private organizations of interest and concern to the Department of Defense, as designated by 32 CFR part 212, DoD employees and their immediate families, and others designated by the Unified Command.

E. *War-Time Mission and Contingency Operations.* The S&S shall provide the Stars and Stripes on a daily basis for transportation to, and distribution in, the designated area of operations, as requested and funded by the responsible Unified Command Commander-in-Chief (CINC), and supported by the respective Unified Command owning the S&S organization. The Unified Commands shall plan for required airlift on a timely basis and

[8] See footnote 1 to § 246.4(c).

intratheater distribution of daily Stars and Stripes newspapers as part of their operational planning documents. Intratheater distribution and required airlift of the Stars and Stripes shall be the responsibility of the supported Unified Command CINC and respective component commands, who shall reimburse the S&S for nonresale issues on a per-issue basis. When deployed to an area of operations, the Stars and Stripes reporters shall operate in the same manner as commercial media representatives. The deployed Stars and Stripes reporters shall be eligible for participation in DoD and command-sponsored regional and local media pools.

APPENDIX B TO PART 246—BUSINESS AND FINANCIAL OPERATIONS

A. *General Financial Operations.* 1. For financial management purposes, the Unified Commands shall administer the Stars and Stripes (S&S), with policy oversight exercised by the Director of the American Forces Information Service (AFIS), as nonappropriated fund instrumentalities (NAFIs) in accordance with §246.4(c), except where procedures differ as defined in this part. The S&S shall report as prescribed in DoD Instruction 7000.12,[1] providing information copies to the Unified Commands and the Director of the AFIS.

a. The S&S shall be authorized nonappropriated fund (NAF) and appropriated fund (APF) support as category B NAFIs as provided under DoD Instruction 1015.6.[2]

b. The S&S shall be funded to the maximum extent possible through the sale and distribution of the newspaper, news magazines, books, periodicals, and similar products; job printing; authorized advertising revenues; and other authorized sources of revenue, as approved by the Department of Defense and the Congress.

c. APF support shall be kept to a minimum, consistent with the S&S mission.

2. The Secretary of the Army shall be the DoD Executive Agent for APF and NAF support to the S&S. If adverse conditions occur, the other Military Services shall provide proportionate funding support through a memorandum of agreement (MOA) containing funding procedures coordinated with the affected Unified Commands and the AFIS. Copies of the agreement shall be provided to all concerned parties.

3. The Stars and Stripes and other S&S commercial resale publications may be made available within the Unified Command to other U.S. Government Agency members, and U.S. Government contractors, as approved by the Unified Command.

4. The S&S system of accounting and internal control shall conform with the requirements of DoD Instruction 7000.12, Army regulations on Morale, Welfare and Recreation (MWR) activities and NAFIs, and NAF accounting policies and procedures, except as authorized by the S&S Comptroller's Manual to meet business and consolidation requirements. The S&S shall ensure that quarterly reports are furnished to the Unified Commands, the S&S Board of Directors, and the Director of the AFIS.

B. *Appropriated Funds.* In addition to DoD Directive 1015.6, the S&S shall be authorized APF support:

1. As provided by the U.S. Army for direct funding support when adverse conditions make such funding necessary to ensure the survival of the newspaper without impairment of mission capability. The Secretary of the Army shall provide such funding when requested by the affected Unified Command Commander-in-Chief (CINC), through the Director of the AFIS.

2. For regional air transportation of the newspaper, overseas ''transportation of things'' as authorized to joint-Service NAFIs; and electronic, optical, or satellite transmission of the newspaper when long distances require these modes to ensure timely and economical delivery.

3. As required, to transport Stars and Stripes to officially designated ''remote and isolated'' locations. The Unified Commands may authorize DoD official postage to remote and isolated locations, if that action is required to ensure timely delivery. Each S&S shall annually review its mailing support to minimize APF expenditures. The U.S. postal regulations apply to the S&S.

a. The S&S shall use in-house or other nonpostal means of transportation to distribute the newspaper to areas that are not designated as remote and isolated.

b. The S&S are authorized to use official managerial and administrative mail related exclusively to the business of the U.S. Government in accordance with DoD 4525.8–M,[3] Chapter 3, Subsection O.8. Such official mail is also authorized to support archive responsibilities in the United States, as designated by the AFIS. Official mail may forward the Stars and Stripes through the Department of Defense to the Congress. Official mail is not authorized to provide the Stars and Stripes to general readership or to support in-theater distribution of S&S resale commercial publications.

4. For transportation of military personnel incident to mission-essential travel, required military training, participation in contingency operations, in military field exercises, such as ''REFORGER'' or ''TEAM SPIRIT,'' or to areas of armed conflict.

[1] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

[2] See footnote 1 to A.1. of this appendix.

[3] See footnote 1 to A.1. of this appendix.

5. In times of armed conflict or national contingency deployment, as directed by the Chairman of the Joint Chiefs of Staff for production and free distribution of the Stars and Stripes to forces as designated. The other Military Services shall reimburse the Department of the Army for services as authorized in the MOA. The Unified Commands shall endeavor to provide the Stars and Stripes and other S&S services for DoD personnel engaged in military operations, contingency operations, and exercises in the most expeditious manner possible as requested by the participating commands. The requesting Unified Command shall be responsible for distribution of the Stars and Stripes within its theater of operations. These services shall be provided on a reimbursable basis to the S&S.

6. In other agreements as made with the Unified Commands, the Department of Defense, and the U.S. Army as the DoD Executive Agency.

C. *Nonapproriated Funds.* 1. So that the Department of the Army may perform its duties as the DoD Executive Agency, the S&S NAFS shall be invested in the Army's Banking and Investment Program and insured with the Army's Risk Management Insurance Program in accordance with DoD instruction 7000.12 and the implementing Army regulations.

2. Excess NAFs belonging to the S&S may be declared excess by the Unified Command CINC, upon the recommendation of the S&S board of directors, under the guidelines in section C.3. of this appendix. Disposition of excess NAFs shall be as directed by the Unified Command CINC. The S&S NAFs declared in excess in one theater may be allocated or loaned to the other Unified Command for S&S-related activities.

3. The S&S NAFs may be declared in excess only if the following conditions are met:

a. The S&S working capital is at a level to continue prudent operations.

b. The local national S&S employee retirement and severance accounts are fully funded. The other S&S employment agreements required by applicable NAF regulations must also be fully funded.

c. Sufficient capital is available from an investment and/or contingency fund to complete all planned and projected capital expenditure projects, and to fulfill the other legitimate S&S business obligations.

d. Additional sinking funds are available to sustain the S&S through foreseeable periods of financial crisis created by adverse conditions. The sinking fund level shall be determined by the S&S board of directors and recommended to the Unified Command CINC for approval.

e. The retail price of the Stars and Stripes is at, or below, the most prevalent charge for similar U.S. newspapers. That shall be determined by the S&S board of directors and recommended to the Unified Command CINC for approval. The Director of the AFIS will be informed of any decision to raise the retail sales price of Stars and Stripes and will provide the Unified Command CINC an assessment of average commercial newspaper sales prices throughout the United States. The availability of the Stars and Stripes at reasonable cost to overseas personnel, commensurate with the retail sales price of comparable commercial newspapers throughout the United States, is a major quality-of-life consideration. A reasonable retail sales price is critical to ensure the greatest access for all overseas personnel and their family members to current print news and information so that they may remain informed U.S. citizens.

f. The S&S books, periodicals, magazines, and similar products are to be sold at no more than cover price and should be discounted to an appropriate level that still sustains full S&S operations, as determined by the S&S board of directors and recommended to the Unified Command CINC for approval.

4. Under adverse conditions, the S&S commander/publisher may apply for NAF support through the Unified Commands to the Director of the AFIS. Following approval by the Unified Command, the Director of the AFIS shall forward the request to the Secretary of the Army for appropriate action. Such NAF requests must first be recommended by the S&S board of directors and approved by the Unified Command CINC. In these cases, the S&S NAFs in either Unified Command may be considered as the first source before forwarding a request to the Department of the Army. The Unified Commands may lend NAFs from one S&S to the other through an MOA.

D. *Bookstores and Related Resale Activities.* 1. The S&S shall endeavor to provide the same selection of resale commercial publications that would be available in quality bookstores in the United States through its bookstores, or, at the discretion of the S&S management, other authorized sales outlets. The S&S has the same authorities and rights for resale and distribution of commercial publications that the military exchange services have on military installations for other nonsubsistence goods and services. The assortment of commercial books, periodicals, magazines, and similar products shall approximate publications commercially available in United States bookstore chains of similar size. Decisions on which publications to include shall be made by the S&S on the basis of marketability and service, not content. As an exception to the Army NAF procurement regulations, contracting authority limitations applicable to U.S. Army and joint-Service NAFIs do not apply to the

S&S procurement of resale commercial publications. Limitations will be as recommended by the S&S board of directors and approved by the Unified Command.

2. The Unified Command CINC shall adjudicate publications resale issues within the theater that cannot be resolved by the S&S at the operating level.

3. Both S&S shall consolidate their wholesale purchases of commercial publications to the maximum extent, consistent with Unified Command distribution criteria, actual economies of scale, and cost-efficiencies. Consolidation initiatives shall be worked in concert with the Unified Commands, the AFIS, and the S&S board of directors. As recommended by the S&S board of directors and approved by the Unified Command CINC, the S&S bookstores shall offer discounts similar to commercial United States bookstore franchises. The offering of discounts should not endanger the financial viability of the S&S.

4. The S&S bookstores shall be audited by the S&S management at least annually. Where bookstores are operating at a consistent financial loss, the S&S may consider servicing readers through arrangements with exchanges, other military outlets, or consider consolidation at central points.

a. Bookstore inventory levels shall be verified internally on a semiannual basis. Inventory levels shall be held to cost-effective levels that still consider the servicing needs of overseas customers.

b. The S&S shall establish affidavit-return procedures to vendors and/or publishers, where possible, to return damaged merchandise, overstock, or out-of-date publications to reduce APF expenditures necessary for ''over-the-water'' transportation.

5. The S&S shall conduct local ''market-penetration'' surveys. The S&S shall also operate a ''customer-complaint'' feedback system to monitor its service and provide the best possible service to its customers. The results of those surveys shall be provided to the Unified Command with recommendations to the S&S board of directors, as required.

E. *Advertising.* 1. As U.S. Government publications, the Stars and Stripes operate under the authority of the ''Government Printing & Binding Regulations''[4] issued by the Joint Committee on Printing (JCP) of the U.S. Congress. To serve the readership, the JCP has granted an exemption to Title III of the ''Government Printing and Binding Regulations'', authorizing the Stars and Stripes to carry limited advertising so that they may provide information to overseas DoD personnel and their families on commercial goods and services. The Stars and Stripes are authorized to solicit, sell, publish, and circulate display advertising, paid classified ads, and supplement section advertising, to include price and brand names of products or services and related coupons that are available through authorized Government outlets, their concessionaires, NAF activities, or private organizations operating on DoD installations under 32 CFR part 212. The Stars and Stripes may have run-of-the-paper display advertising not to exceed 25 percent of the newspaper over a period of 1 month. In addition, the Stars and Stripes are authorized to sell, publish, and circulate display advertising, and supplement section advertising for consumer goods and services not available through authorized Government outlets, their concessionaires, NAF activities, or private organizations operating on DoD installations under 32 CFR part 212 when sponsored by MWR activities, NAFIs, or Type I (Federally Sanctioned) private organizations as defined by 32 CFR part 212. Implementation of the advertising authority shall be as specified by the Director of the AFIS, who shall coordinate with the JCP.

2. The Stars and Stripes may sell, through commercial advertising agencies, run-of-the-paper advertising of DoD recruiting and retention programs or activities.

3. The S&S has the right to refuse any advertising.

4. The Stars and Stripes may publish news stories on special DoD-affiliated tours or entertainment opportunities for DoD personnel and their dependents in accordance with DoD Instructions 1015.2[5] and 1330.13[6].

5. The S&S may promote the Stars and Stripes, books, periodicals, magazines and similar products; authorized advertising; and job printing services (except APF) in the Stars and Stripes. Books, periodicals, magazines, and similar product promotions may include publications by name, title, author, and price. The Stars and Stripes also may promote literacy, health, safety, and other community service issues.

6. The S&S may promote AFRTS schedules, programs, and services in their newspapers and bookstores. The S&S shall cooperate with AFRTS outlets to promote each others' programs and services as authorized by DoD Directive 5120.20[7].

7. As a newspaper operated by the Department of Defense, the Stars and Stripes may not:

a. Contain any material that implies that the DoD Components or their subordinate levels endorse or favor a specific commercial and/or individually-owned product, commodity, or service.

[4] Copies may be obtained from the Joint Committee on Printing of the U.S. Congress, 818 Hart Senate Office Building, Washington, DC 20510.

[5] See footnote 1 to A.1 of this appendix.

[6] See footnote 1 to A.1 of this appendix.

[7] See footnote 1 to A.1 of this appendix.

b. Subscribe, even at no cost, to a commercial, feature wire, or other service whose primary purpose is the advertisement or promotion of commercial products, commodities, or services.

c. Carry any advertisement that implies discrimination as to race, age, origin, gender, politics, religion, or physical characteristics that include health.

F. *Trademark*. The S&S shall trademark the Stars and Stripes in overseas areas where it is distributed.

APPENDIX C TO PART 246—PERSONNEL POLICIES AND PROCEDURES

A. *General Nonappropriated Fund (NAF) Employment Policies.* 1. The Stars and Stripes (S&S) shall have a personnel system that is business oriented in terms of personnel management concepts. The system shall provide maximum authority and accountability to the S&S managers at all levels and shall endeavor to improve productivity through a system of awards and bonuses for high-performing employees. The S&S NAF employees shall be governed in accordance with the U.S. Army NAF regulations, except where exceptions to general policy have been granted by the Unified Commands, the American Forces Information Service (AFIS), and the U.S. Army to the S&S.

2. As DoD employees, the S&S civilian personnel shall abide by 32 CFR part 40, the Department of Defense, the Unified Command, and the U.S. Army regulations, U.S. laws governing Government employees, the applicable host-nation laws, and the applicable status of forces agreements (SOFA) requirements. The S&S commander/publisher shall ensure that the S&S employees are made aware of those provisions before being hired and that employees receive adequate personnel training.

3. The S&S shall endeavor to recruit civilian personnel with solid experience, education, and performance credentials in the required business, publishing, or editorial disciplines. The S&S, as part of its hiring practices, shall specify terms of Government employment and include responsibilities, such as those in 32 CFR part 40, so that the S&S civilian employees are fully aware of their obligations as DoD employees.

B. *Appropriated Fund (APF) Personnel Assignment Authority*. Appropriated-funded manpower staffing to operate, manage, or support the S&S is authorized under DoD Directive 1015.4.[1]

C. *Military Officer Personnel Procedures.* 1. Candidates for the S&S military officer positions shall be nominated by the Military Services, through the Director of the AFIS, to the Unified Command Commander-in-Chief (CINC), who shall make the final selection. The S&S military officer positions considered for nomination shall be the S&S commander/publisher and deputy commander(s).

a. The S&S commander/publisher should have military public affairs and joint-Service experience, and a journalism degree.

b. The S&S officers supervising business operations should have experience in DoD Comptroller functions and be familiar with laws and regulations applicable to DoD and NAFI business operations. A master's degree in business administration is desirable, but not mandatory.

c. Instead of an advanced degree or military public affairs experience, nominees may be authorized, by the Unified Command CINC and the AFIS, to substitute a DoD-funded ''training-with-industry'' program with comparable newspaper operations in the United States.

d. The Unified Commands shall forecast military vacancies in the S&S to allow time for the Military Services' nomination processes to be completed and provide for education before the S&S assignment.

e. The Military Services shall provide highly qualified officers for all S&S assignments at the required grade levels.

2. Military officers selected for duty as S&S commander/publisher shall undergo a ''training-with-industry'' program to provide real-world training with a commercial newspaper. That program shall be administered by the Director of the AFIS, in coordination with the Military Services and the Unified Commands.

D. *Enlisted Members of the Stars and Stripes Editorial Staff.* 1. Enlisted military personnel shall be assigned to the Stars and Stripes editorial staff, as reflected in the designated Unified Command Joint Manpower Program (JMP) documents, on a nominative basis. The Military Services shall nominate the most mature and professional personnel for assignment to the Stars and Stripes editorial staff at the required JMP grade- and experience-level, coordinating with the Unified Commands and the Director of the AFIS. Nominations shall be considered on a competitive basis by the S&S commander/publisher and the Stars and Stripes editor. The S&S shall request nominations 18 months before projected billet vacancies. The Military Services shall forward nominations 6–10 months in advance to the S&S, (ATTN: S&S Commander/Publisher). The Military Services shall provide the S&S with reasonable overlap of military enlisted members serving on the Stars and Stripes editorial staff.

2. The S&S commander/publisher shall coordinate with the Unified Commands to ensure that there is an appropriate mixture of Military Service billets and/or assignments

[1] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

represented in the S&S to preserve the tradition of the Stars and Stripes as joint-Service newspapers.

APPENDIX D TO PART 246—EDITORIAL OPERATIONS

A. *General.* 1. The Stars and Stripes shall serve the interests of their overseas DoD readership, as commercial daily newspapers serve their readers throughout the United States. However, as a Government organization, the Stars and Stripes news staff may not take an independent editorial position. The Stars and Stripes editorial practices and policies shall be in accordance with the highest standards of American journalism.

2. The Stars and Stripes editor, with the concurrence of the S&S commander/publisher, and the Unified Command Commander-in-Chief (CINC), as the owner of the newspaper, may establish a standard code of personal and professional ethics and general editorial principles similar to those developed at major metropolitan newspapers or by professional journalists in organizations such as the Society of Professional Journalists. Those codes usually stress the following:

a. Responsibility of the newspaper to fully inform its readership.

b. Freedom of the press.

c. Commitment to personal and professional ethics.

d. Emphasis on content accuracy, objectivity, and fair representation of all sides of an issue.

When developed, copies of the code and style guides shall be provided to the Unified Command CINC and the Director of the American Forces Information Service (AFIS).

3. The Stars and Stripes editor shall be responsible for developing editorial procedures and, if required, a style guide that mirrors daily U.S. commercial newspapers.

4. The editorial content of the Stars and Stripes shall be governed by the general principles applicable to quality commercial press as follows:

a. *Presentation of News.* A major purpose of the Stars and Stripes is to provide news and information from varied sources. This aids DoD members and their families stationed overseas to exercise their democratic citizenship responsibilities.

b. *Commercially-Contracted News, Features, and Opinion Columns.* The Stars and Stripes purchase (or contract for) and carry news stories, features, syndicated columns, comic strips, and editorial cartoons from commercial services or sources. Wire-service news, information, and feature material may be edited in accordance with source contracts and for space requirements. The Stars and Stripes reflect the news of the day being carried in comparable U.S. commercial daily newspapers. They should reflect different sides of issues over a reasonable amount of time.

c. *Staff-Generated Copy.* In keeping with the standards established for major daily commercial newspapers in the United States, staff-generated news and features in the Stars and Stripes shall be accurate, factual, impartial, and objective. News stories and feature material shall distinguish between fact and opinion. Every effort should be made to attribute quotations and facts to identified sources. In the case of controversial or sensitive stories, the Stars and Stripes editor, or his or her designee, shall ascertain the identity of confidential sources, as required by normal journalistic practices that ensure that sources are credible. The Stars and Stripes may use the normal range of journalistic techniques including ''people-on-the-street'' interviews if that technique does not constitute a political poll.

d. *Political Campaign News.* (1) The Stars and Stripes shall publish coverage of the U.S. political campaigns from commercial news sources. Presentation of such political campaign news shall be made on an impartial, unbiased, and nonpartisan basis reflecting DoD policies of non-endorsement of any specific candidate for an elected office. Every effort should be made to ensure that the Stars and Stripes reflect the full spectrum of campaign news being published in the United States on national candidates and issues.

(2) The Stars and Stripes shall support the Federal Voting Assistance Program by carrying factual information about registration and voting laws.

e. The Stars and Stripes shall provide balance in commercial syndicated columns. Since the Stars and Stripes may not take an independent editorial position, a balanced selection of syndicated opinion columns shall be published over a reasonable time period. The presentation of syndicated editorial cartoons should reflect the full spectrum of topical editorial cartoons being published throughout the United States. The S&S commander/publisher shall provide the Unified Commands annual assurance that the required balance for syndicated opinion columns has been met.

B. *Administrative.* 1. The Stars and Stripes shall comply with DoD Instruction 1100.13[1] on polls, surveys, and straw votes. The Stars and Stripes may not conduct a poll, a survey, exit polls, or a straw vote on any political campaign. The Stars and Stripes may publish polls, surveys, and/or straw votes

[1] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

furnished to the newspaper through its contracted wire services. The Stars and Stripes may not conduct lottery games.

2. The Stars and Stripes shall have the following disclaimer placed in the masthead or at the extreme bottom of one of the prominent pages, segregated from copy in a box:

This newspaper is authorized for publication by the Department of Defense for members of the Military Services overseas. However, the contents of the Stars and Stripes are unofficial, and are not to be considered as the official views of, or endorsed by, the U.S. Government, including the Department of Defense or the (name of the appropriate Unified Command). As a DoD newspaper, the Stars and Stripes may be distributed through official channels and use appropriated funds for distribution to remote and isolated locations where overseas DoD personnel are located.

The appearance of advertising in this publication, including inserts or supplements, does not constitute endorsement by the Department of Defense or the Stars and Stripes of the products or services advertised.

Products or services advertised in this publication shall be made available for purchase, use, or patronage without regard to race, color, religion, sex, national origin, age, marital status, physical handicap, political affiliation or any other nonmerit factor of the purchaser, user, or patron.

C. *Editorial.* 1. The Stars and Stripes news staffs are authorized to gather and report news, good and bad, on the Department of Defense and its subordinate commands. All reporting necessarily requires some investigation and, as with journalists on commercial newspapers, the Stars and Stripes news staff members have the right and need to ask questions and expect response to fulfill the S&S mission. However, the Stars and Stripes is not an authorized investigative agency, such as military law enforcement agencies, investigative bodies, or an Inspector General, and shall not function in that capacity. As DoD employees, the Stars and Stripes news staff members must adhere to the DoD personnel policies that may not usually apply to journalists employed by commercial newspapers and must comply with 32 CFR part 40 and, as applicable, the Manual for Courts Martial, 1984.[2]

a. Since most journalistic reporting is investigative by nature, ''investigative reporting,'' as such, is not banned. The Stars and Stripes reporters have the same need to ask questions of sources, and expect responses, as do commercial newspaper journalists. While the Stars and Stripes staff cannot conduct independent investigations that fall under the jurisdiction of various military law enforcement or designated investigative agencies, the Stars and Stripes may report on open or completed investigations by agencies authorized to perform investigative functions. If the Stars and Stripes employees note unlawful or criminal actions in their performance of duty, they must report such incidents immediately to the S&S commander/publisher or to their immediate supervisor, in accordance with 32 CFR part 40, who shall also comply with 32 CFR part 40 and, as applicable, DoD Directive 7050.1[3] and DoD Instruction 5240.4.[4] If there is an authorized investigation, a Stars and Stripes reporter or editor cannot protect a source as confidential when the information may be required to complete the investigation. Coverage of an investigation, from a news perspective, should be based on case progress or the resolution provided by the investigative agency if considered newsworthy by the Stars and Stripes. The Stars and Stripes editorial procedures shall not prohibit publishing news of independent investigations furnished by commercial media and, therefore, in the public domain.

b. The Stars and Stripes staff may not knowingly place classified information in Stars and Stripes staff-generated material. That does not apply to public domain information attributed to commercially contracted news, features, or opinion columns.

2. The Stars and Stripes editorial staffs shall receive the same treatment as commercial media.

a. The Stars and Stripes reporters shall have the same right to ask questions, to gain help, to have access, and to attend gatherings available to reporters from the commercial media. Commanders or public affairs staffs may not use the U.S. Government status of Stars and Stripes reporters to block the release of, or access to, otherwise releasable news, information, or events. Under the same circumstances, the Stars and Stripes reporters may not use their U.S. Government status or credentials to gain special treatment, access to restricted areas or gatherings, or other advantages that are not given equally to civilian media.

b. In keeping with the ''Principles of Information'' in 32 CFR part 375 governing release of information to commercial media, the DoD Components are expected to make available timely and accurate information so that the Stars and Stripes news staffs and readers may assess and understand the facts about their military organizations, the national defense, and defense strategy. Consistent with statutory requirements, information shall be made fully and readily available under the principles for the release of

[2] See footnote 1 to B.1. of this appendix.

[3] See footnote 1 to B.1. of this appendix.

[4] See footnote 1 to B.1. of this appendix.

information to the media issued by the Secretary of Defense. A Government organization may not file a request for information against another Government organization under 32 CFR part 285, which implements the Freedom of Information Act (FOIA) in the Department of Defense, but it is the responsibility of all commands to honor the DoD Principles of Information, particularly regarding the intent of open access as described in 32 CFR part 285 when responding to queries from Stars and Stripes reporters.

3. To meet organizational responsibilities, the Stars and Stripes editor, the S&S commander/publisher, and the Stars and Stripes staff members they select, should meet frequently with area commanders and public affairs officers and staffs to confer, as their counterparts in U.S. commercial daily newspapers do with local government and community interest representatives.

4. When matters of interest to the Stars and Stripes readership cut across the Unified Command component command responsibilities, the Stars and Stripes editor may use ''special project reporting teams'' to examine such concerns. Whether the areas of Stars and Stripes interest are military exercises, fast-breaking news affecting the entire Unified Command community, or policies that require a greater-than-individual-reporter effort, the Stars and Stripes editor, through the S&S commander/publisher, can gain help by keeping the Unified Command and its component command public affairs offices informed of the need for theater-wide assistance. Such aid could help dispel morale-damaging rumors.

5. The Stars and Stripes shall conduct readership surveys at least once every 3 years in the Unified Commands where the Stars and Stripes are distributed. Such formal surveys shall be conducted in accordance with DoD Instruction 1100.13. The S&S may make shorter market surveys through its bookstore operations to determine changing readership interests. The Stars and Stripes is also encouraged to make frequent use of readership focus groups throughout the Unified Command.

6. The Stars and Stripes may review commercial entertainment where relevant and where it supports readership interest.

7. All bureau personnel and field reporters shall have Stars and Stripes newsroom experience before being given independent assignments. The Stars and Stripes military reporters may wear military or civilian clothes at the discretion of the S&S commander/publisher. If authorized by the S&S commander/publisher, Stars and Stripes military members may be authorized a clothing allowance in accordance with individual Service directives.

8. The Stars and Stripes are both authorized to maintain a Washington, DC, bureau located with other correspondent bureaus in the OASD (PA) Correspondents' Corridor. A desk will be provided for each Stars and Stripes. The S&S shall select the most qualified reporters possible for assignment to the bureau. A joint memorandum of understanding on personnel support shall be established between the two newspapers and approved by the Unified Commands, with a copy provided to the Director of the AFIS.

APPENDIX E TO PART 246—STARS AND STRIPES (S&S) BOARD OF DIRECTORS

A. *Organization and Management.* 1. The S&S board of directors of each Unified Command shall provide advice to the S&S management, and recommend guidance to its Commander-in-Chief (CINC) on all business operations. Attendance is at the direction of the Unified Command CINC.

2. Each Unified Command CINC shall designate the chairman of its S&S board of directors.

3. Each S&S board of directors shall include a member from the Unified Command Offices of Public Affairs and the Comptroller, and at least one member from each of the Unified Command Service components. Members shall be appointed by the Unified Command CINC for 2 years to ensure continuity. They shall be the best qualified personnel available in business-related disciplines. Members should be at the grade of 0–5, GS–12, or higher. Other than the Unified Command and the S&S senior representatives, the S&S board members should not be members of any other S&S forums or councils. Representatives from the American Forces Information Service (AFIS) and one S&S may attend the meetings of the other S&S board of directors and have their observations included in the minutes, but they are not voting members. Recommendations approved by the S&S board of directors may be incorporated by the Unified Command CINC into the Unified Command S&S instruction or directive, as applicable.

4. The S&S board of directors should meet at least three times each year. The minutes of each meeting shall be approved by the Unified Command CINC. The approved S&S board recommendations shall be incorporated, as permanent policy, into the Unified Command S&S implementing instructions or directives. Where such recommendations affect DoD policy, the Unified Commands shall ask the Director of the AFIS for resolution. The S&S commander/publisher shall provide sufficient documentation to the S&S board members between meetings to inform them of on-going business operations and the execution of financial actions.

B. *Functions.* 1. The S&S board of directors shall monitor planning and execution of the S&S business activities.

2. The S&S board of directors shall aid the S&S commander/publisher with evaluation

of external factors that impact the S&S, such as adverse conditions, as recommended by the S&S commander/publisher, the S&S board of directors, or the Unified Command CINC.

3. Annually, the S&S commander/publisher shall provide a financial plan that shall include a capital expenditure budget and a 2-year forecast for the S&S board of directors' evaluation and recommendation to the Unified Command CINC. The S&S shall also forecast and get approval for building and/or construction projects through the S&S board of directors.

4. The S&S shall maintain a 5-year business strategic and corporate plan that shall be forwarded to the S&S board of directors. The Unified Commands shall forward the ongoing strategic and corporate plan to the Director of the AFIS for overall DoD strategic goals.

PART 247—DEPARTMENT OF DEFENSE NEWSPAPERS, MAGAZINES AND CIVILIAN ENTERPRISE PUBLICATIONS

Sec.

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APPENDIX E TO PART 247—DOD COMMAND NEWSPAPER AND MAGAZINE REVIEW SYSTEM

AUTHORITY: 10 U.S.C. 121 and 133.

SOURCE: 62 FR 42905, Aug. 11, 1997, unless otherwise noted.

§ 247.1 Purpose.

This part implements DoD Directive 5122.10[1] and implements policy, assigns responsibilities, and prescribes procedures concerning authorized DoD Appropriated Funded (APF) newspapers and magazines, and Civilian Enterprise (CE) newspapers, magazines, guides, and installation maps in support of the DoD Internal Information Program.

§ 247.2. Applicability.

This part:

(a) Applies to the Office of the Secretary of Defense (OSD), the Military Departments, the Chairman of the Joint Chiefs of Staff, the Combatant Commands, the Defense Agencies, and the DoD Field Activities (hereafter referred to collectively as ''the DoD Components''). The term ''Military Services,'' as used herein, refers to the Army, the Navy, the Air Force, the Marine Corps, and includes the Coast Guard when operating as a Military Service in the Navy. The term Commander, as used herein, also means Heads of the DoD Components.

(b) Does not apply to the *Stars and Stripes (S&S)* newspapers and business operations. *S&S* guidance is provided in DoD Directive 5122.11.[2]

(c) The term Commander, as used in this part, also means Heads of the DoD Components.

§ 247.3 Definitions.

Civilian Enterprise (CE) guides and installation maps. Authorized publications containing advertising that are prepared and published under contract with commercial publishers. The right to circulate the advertising in these publications to the DoD readership constitutes contractual consideration to pay for these DoD publications. The publications become the property of the command, installation, or intended recipient upon delivery in accordance with terms of the contract. Categories of these publications are:

(1) *Guides.* Publications that provide DoD personnel with information about the mission of their command; the availability of command, installation, or community services; local geography; historical background; and other information. These publications may include installation telephone directories at the discretion of the commander.

(2) *Installation maps.* Publications designed for orientation of new arrivals or for visitors.

[1] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22121.

[2] See footnote 1 to § 247.1.

CE publications. CE newspapers, CE magazines, CE guides and installation maps produced commercially under the CE concept.

DoD newspapers. Authorized, unofficial publications, serving as part of the commander's internal information program, that support DoD command internal communication requirements. Usually, they are distributed weekly or monthly. DoD newspapers contain most, if not all, of the following elements to communicate with the intended DoD readership: command, military department, and DoD news and features; commanders' comments; letters to the editor; editorials; commentaries; features; sports; entertainment items; morale, welfare, and recreation news and announcements; photography; line art; and installation and local community news and announcements. DoD newspapers do not necessarily reflect the official views of, or endorsement of content by, the Department of Defense.

(1) *CE newspapers.* Newspapers published by commercial publishers under contract with the DoD Components or their subordinate commands. The commander or public affairs office provides oversight and final approval authority for the news and editorial content of the paper. Authorized news and information sources include the Office of the Assistant Secretary of Defense for Public Affairs (OASD(PA)), AFIS, the Military Departments, their subordinate levels of command, and other Government Agencies. CE contractor personnel may provide material for use in the newspaper if approved by the commander or public affairs officer (PAO), as the commander's representative. These newspapers contain advertising sold by the commercial publisher on the same basis as for CE guides and installation maps and may contain supplements or inserts. They become the property of the command, installation, or intended recipient upon delivery in accordance with terms of the contract.

(2) *Funded newspapers.* Newspapers published by the DoD Components or their subordinate commands using appropriated funds. The editorial content of these newspapers is prepared by the internal information section of the public affairs staff or other internal sources. Usually, these newspapers are printed by the Government Printing Office (GPO) or under GPO contract in accordance with Government printing regulations. DoD Directive 5330.3[3] specifies DPS as the sole DoD conduit to the GPO.

(3) *Overseas Combatant Command newspapers.* Newspapers published for overseas audiences approved by the Assistant Secretary of Defense for Public Affairs (ASD(PA)) to provide world, U.S., and regional news from commercial sources, syndicated columns, editorial cartoons, and applicable U.S. Government, Department of Defense, Component, and subordinate command news and information.

(4) *News bulletins and summaries.* Publications of deployed or isolated commands and ships compiled from national and international news and opinion obtained from authorized sources. News bulletins or summaries may be authorized by the next higher level of command when no daily English language newspapers are readily available.

Inserts. A flier, circular, or freestanding advertisement placed within the folds of the newspaper. No disclaimer or other labeling is required.

Magazines. Authorized, unofficial publications, serving as part of the commander's internal information program. They are produced and distributed periodically, usually monthly, and contain information of interest to personnel of the publishing DoD component or organization. They usually reflect a continuing policy as to purpose, format, and content. They are normally non-directive in nature and are published to inform, motivate, and improve the performance of the personnel and organization. They may be published as funded magazines or under the CE concept.

Option. A unilateral right in a contract by which, for a specified time, the Government may elect to acquire additional supplies or services called for by the contract, or may elect to extend the term of the contract.

Organizational terms. (1) *Command.* A unit or units, an organization, or an

[3] See footnote 1 to § 247.1.

area under the command of one individual. It includes organizations headed by senior civilians that require command internal information-type media.

(2) *DoD Components.* See § 247.2 (a).

(3) *Installation.* A DoD facility or ship that serves as the base for one or more commands. Media covered by this part may serve the command communication needs of one or several commands located at one installation.

(4) *Major command.* A designated command such as the Air Mobility Command or the Army Forces Command that serves as the headquarters for subordinate commands or installations that have the same or related missions.

(5) *Subordinate levels.* Lower levels of command.

Publications. As used in this part, ''publications'' refers to DoD newspapers, magazines, guides and/or installation maps serving the commander's internal information program published in both paper and electronic format, including digital printing.

Supplements. Features, advertising sections, or morale, welfare and recreation sections printed with or inserted into newspapers for distribution. Supplements must be labeled ''Supplement to the (name of newspaper).'' Editorial content in supplements is subject to approval by the commander or the PAO as his or her agent.

§ 247.4 Policy.

It is DoD policy that:

(a) A free flow of news and information shall be provided to all DoD personnel without censorship or news management. The calculated withholding of news unfavorable to the Department of Defense is prohibited.

(b) News coverage and other editorial content in DoD publications shall be factual and objective. News and headlines shall be selected using the dictates of good taste. Morbid, sensational, or alarming details not essential to factual reporting shall be avoided.

(c) DoD publications shall distinguish between fact and opinion, both of which may be part of a news story. When an opinion is expressed, the person or source shall be identified. Accuracy and balance in coverage are paramount.

(d) DoD publications shall distinguish between editorials (command position) and commentaries (personal opinion) by clearly identifying them as such.

(e) News content in DoD publications shall be based on releases, reports, and materials provided by the DoD Components and their subordinate levels, DoD newspaper staff members, and other government agencies. DoD publications shall credit sources of all material other than local, internal sources. This includes, but is not limited to, Military Department news sources, American Forces Information Service, and command news releases.

(f) DoD publications may contain articles of local interest to installation personnel produced outside official channels (e.g., stringers, local organizations), provided that the author's permission has been obtained, the source is credited, and they do not otherwise violate this part.

(g) DoD publications normally shall not be authorized the use of commercial news and opinion sources, such as Associated Press (AP), United Press International (UPI), New York Times, etc., except as stated in this paragraph and the following paragraph. The use of such sources is beyond the scope of the mission of command or installation publications and puts them in direct competition with commercial publications. The use of such sources may be authorized for a specific DoD newspaper by the cognizant DoD Component only when other sources of national and international news and opinion are not available.

(h) Overseas Combatant Command newspapers published outside the United States may purchase or contract for and carry news stories, features, syndicated columns, and editorial cartoons from commercial services or sources. A balanced selection of commercial news or opinion shall appear in the same issue and same page, whenever possible, but in any case, over a reasonable time period. Selection of commercial news sources, syndicated columns, and editorial cartoons to be purchased or contracted for shall be approved by the Commanders. Overseas Combatant Command newspapers, news bulletins, and news summaries

authorized to carry national and world news may include coverage of U.S. political campaign news from commercial news sources. Presentation of such political campaign news shall be made on a balanced, impartial, and nonpartisan basis.

(i) The masthead of all DoD publications shall contain the following disclaimer printed in type no smaller than 6-point: ''This (DoD newspaper, magazine, guide or installation map) is an authorized publication for members of the Department of Defense. Contents of (name of the DoD newspaper/magazine/this guide/this installation map) are not necessarily the official views of, or endorsed by, the U.S. Government, the Department of Defense, or (the name of the publishing DoD Component).''

(j) The masthead of DoD CE publications shall contain the following statements in addition to that contained in paragraph (i) of this section:

(1) ''Published by (name), a private firm in no way connected with the (Department of Defense/the U.S. Army/the U.S. Navy/the U.S. Air Force/the U.S. Marine Corps) under exclusive written contract with (DoD Component or subordinate level).''

(2) ''The appearance of advertising in this publication, including inserts or supplements, does not constitute endorsement by the (Department of Defense/the U.S. Army/the U.S. Navy/the U.S. Air Force/the U.S. Marine Corps), or (name of commercial publisher) of the products or services advertised.''

(3) ''Everything advertised in this publication shall be made available for purchase, use, or patronage without regard to race, color, religion, sex, national origin, age, marital status, physical handicap, political affiliation, or any other nonmerit factor of the purchaser, user, or patron.'' If a violation or rejection of this equal opportunity policy by an advertiser is confirmed, the publisher shall refuse to print advertising from that source until the violation is corrected.

(k) DoD publications shall not contain campaign news, partisan discussions, cartoons, editorials, or commentaries dealing with political campaigns, candidates, issues, or which advocate lobbying elected officials on specific issues. DoD CE publications shall not carry paid political advertisements for a candidate, party, which advocate a particular position on a political issue, or which advocate lobbying elected officials on a specific issue. This includes those advertisements advocating a position on any proposed DoD policy or policy under review.

(l) DoD newspapers shall support the Federal Voting Assistance Program by carrying factual information about registration and voting laws, especially those on absentee voting requirements of the various States, the District of Columbia, Puerto Rico, and U.S. territories and possessions. DoD newspapers shall use voting materials provided by the Director, Federal Voting Assistance Program; the OSD; and the Military Departments. Such information is designed to encourage DoD personnel to register as voters and to exercise their right to vote as outlined in DoD Directive 1000.4.[4]

(m) DoD publications shall comply with DoD Instruction 1100.13[5] pertaining to polls, surveys, and straw votes.

(1) The DoD Components and subordinate levels may authorize polls on matters of local interest, such as soldier of the week, and favorite athlete.

(2) A DoD publication shall not conduct a poll, a survey, or a straw vote relating to a political campaign or issue.

(3) Opinion surveys must be in compliance with Military Service regulations.

(n) DoD newspapers will support officially authorized fund-raising campaigns (e.g., Combined Federal Campaign (CFC)) within the Department of Defense in accordance with DoD Directive 5035.1.[6] News coverage of the campaign will not discuss monetary goals, quotas, competition or tallies of solicitation between or among agencies. To avoid any appearance of endorsement, features and news coverage will discuss the campaign in general and not promote specific agencies within the CFC. Agencies may be mentioned routinely but must not be a main focus of features and news coverage.

(o) DoD publications shall not:

[4] See footnote 1 to § 247.1.
[5] See footnote 1 to § 247.1.
[6] See footnote 1 to § 247.1.

(1) Contain any material that implies that the DoD Components or their subordinate levels endorse or favor a specific commercial product, commodity, or service.

(2) Subscribe, even at no cost, to a commercial or feature wire or other service whose primary purpose is the advertisement or promotion of commercial products, commodities, or services.

(3) Carry any advertisement that violates or rejects DoD equal opportunity policy. (See paragraph (j)(3) of this section).

(p) All commercial advertising, including advertising supplements, shall be clearly identifiable as such. Paid advertorials and advertising supplements may be included but must be clearly labeled as advertising and readily distinguishable from editorial content.

(q) Alteration of official photographic and video imagery will comply with DoD Directive 5040.5.[7]

(r) Commercial sponsors of Armed Forces Professional Entertainment Program events and morale, welfare and recreation events may be mentioned routinely with other pertinent facts in news stories and announcements in DoD newspapers. (See DoD Instructions 1330.13[8] and 1015.2.[9]

(s) Book, radio, television, movie, travel, and other entertainment reviews may be carried if written objectively and if there is no implication of endorsement by the Department of Defense or any of its Components or their subordinate levels.

(t) All printing using appropriated funds will be obtained in accordance with DoD Directive 5330.3.

(u) Although DoD internet web sites are normally discouraged from linking to commercial activities, the commander may authorize an installation web site to be linked to the web site carrying the authorized civilian enterprise publication.

[7] See footnote 1 to § 247.1.

[8] See footnote 1 to § 247.1.

[9] See footnote 1 to § 247.1.

[10] See footnote 1 to § 247.1.

§ 247.5 Responsibilities.

(a) The Assistant Secretary of Defense for Public Affairs, consistent with DoD Directive 5122.5,[10] shall:

(1) Develop policies and provide guidance on the administration of the DoD Internal Information Program.

(2) Provide policy and operational direction to the Director, AFIS.

(3) Monitor and evaluate overall mission effectiveness within the Department of Defense for matters under this part.

(b) The Director, American Forces Information Service, shall:

(1) Develop and oversee the implementation of policies and procedures pertaining to the management, content, and publication of DoD publications encompassed by this part.

(2) Serve as DoD point of contact with the Joint Committee on Printing, Congress of the United States, for matters under this part.

(3) Serve as the DoD point of contact in the United States for Combatant Command newspaper matters.

(4) Provide guidance to the Combatant Commands, Military Departments, and other DoD Components pertaining to DoD publications.

(5) Monitor effectiveness of business and financial operations of DoD publications and provide business counsel and assistance, as appropriate.

(6) Sponsor a DoD Interservice Newspaper Committee and a Flagship Magazine Committee composed of representatives of the Military Departments to coordinate matters on publications encompassed by this part and flagship magazine matters, respectively.

(7) Provide a press service for joint-Service news and information for use by authorized DoD publication editors.

(c) The Secretaries of the Military Departments shall:

(1) Provide policy guidance and assistance to the Department's publications.

(2) Encourage the use of CE publications when they are the most cost-effective means of fulfilling the command communication requirement.

[10] See footnote 1 to § 247.1.

(3) Ensure that adequate resources are available to support authorized internal information products under this part.

(4) Designate a member of their public affairs staff to serve on the DoD Interservice Newspaper Committee.

(5) Ensure all printing obtained with appropriated funds complies with DoD Directive 5330.3.

(d) The Commanders of Combatant Commands shall:

(1) Publish Combatant Command newspapers, if authorized. In discharging this responsibility, the Commander shall ensure that policy, direction, resources, and administrative support are provided, as required, to produce a professional quality newspaper to support the command mission.

(2) Ensure that the newspaper is prepared to support U.S. forces in the command area during contingencies and armed conflict.

§247.6 Procedures.

(a) *General.* (1) National security information shall be protected in accordance with DoD Directive 5200.1[11] and DoD 5200.1–R.[12]

(2) Specific items of internal information of interest to DoD personnel and their family members prepared for publication in DoD publications may be made available to requesters if the information can be released as provided in DoD Directive 5400.7[13] and DoD 5400.1–R.[14]

(3) Editorial policies of DoD publications shall be designed to improve the ability of DoD personnel to execute the missions of the Department of Defense.

(4) DoD editors of publications covered under this part shall conform to applicable policies, regulations, and laws involving the collection, processing, storage, use, publication and distribution of information by DoD Components (e.g., libel, photographic image alteration, copyright, sexually explicit materials, classification of information, protection of sensitive information and U.S. Government printing and postal regulations).

(5) DoD publications shall comply with DoD Directive 5400.11[15] regarding the DoD privacy program.

(b) *Establishment of DoD newspapers.* (1) Commanders are authorized to establish Funded newspapers (appendix A to this part) or CE newspapers (appendix B to this part) when:

(i) A valid internal information mission requirement exists.

(A) Command or installation newspapers provide the commander a primary means of communicating mission-essential information to members of the command. They provide feedback through such forums as letters to the editor columns. This alerts the commander to the emotional status and state of DoD knowledge of the command. The newspaper is used as a return conduit for command information to improve attitudes and increase knowledge.

(B) News reports and feature stories on individuals and organizational elements of the command provides a crossfeed of DoD information, which improves internal cooperation and mission performance. Recognition of excellence in individual or organizational performance motivates and sets forth expected norms for mission accomplishment.

(C) The newspaper improves morale by quelling rumors and keeping members informed on DoD information that will affect their futures. It provides information and assistance to family members, which improve their spirits and thereby the effectiveness of their military service and/or civilian member. The newspaper encourages participation in various positive leisure-time activities to improve morale and deter alcohol abuse and other pursuits that impair their ability to perform.

(D) The newspaper provides information to make command members aware of the hazards of the abuse of drugs and other substances, and of the negative impact that substance abuse has on readiness.

(E) CE newspapers provide advertisements that guide command members to outlets where they may fulfill their

[11] See footnote 1 to §247.1.
[12] See footnote 1 to §247.1.
[13] See footnote 1 to §247.1.
[14] See footnote 1 to §247.1.
[15] See footnote 1 to §247.1.
[1] Copies may be obtained, at cost, from the

[15] See footnote 1 to §247.1.

purchasing needs. A by-product of this commercial contact is increased installation-community communication, which enhances mutual support.

(F) The newspaper increases organizational cohesiveness and effectiveness by providing a visual representation of the essence of the command itself.

(G) Good journalistic practices are vital, but are not an end unto themselves. They are the primary means to enhance receptivity of command communication through the newspaper.

(H) The newspaper exists to facilitate accomplishment of the command or installation mission. That is the only basis for the expenditure of DoD resources to produce them.

(ii) A newspaper is determined by the commander and the next higher level of command to be the most cost-effective means of fulfilling the command internal communication requirement.

(2) The use of appropriated funds is authorized to establish a Funded newspaper if a CE newspaper is not feasible. The process of establishing a newspaper must include an investigation of the feasibility of publishing under the CE concept. This investigation must include careful consideration of the potential for real or apparent conflict of interest. If publishing under the CE concept is determined to be feasible, commanders must ensure that they have obtained approval to establish the newspaper before authorizing their representatives to negotiate a contract with a CE publisher.

(3) DoD newspapers are mission activities. The use of nonappropriated funds for any aspect of their operations is not authorized.

(4) Appropriated funds shall not be used to pay any part of the commercial publisher's costs incurred in publishing a CE publication.

(5) Only one DoD newspaper or magazine is authorized for each command or installation.

(i) If a newspaper is required at an installation where more than one command or headquarters is collocated, the host commander shall be responsible for publication of one funded or CE newspaper for all. The host command shall provide balanced and sufficient coverage of the other commands, their personnel, and activities in that locality. These commands, or headquarters, shall assist the staff of the host newspaper with coverage. If required by unusual circumstance, a commander other than the host may publish the single authorized newspaper when the majority of affected organizations concur.

(ii) This provision is not intended to prohibit the headquarters of a geographically dispersed command that receives its local coverage in the host installation newspaper from publishing a command-wide newspaper; nor is it intended to prohibit a command that has information needs that are significantly different from the majority of the host installation audience from publishing a separate newspaper, when authorized by the designated approving authority. (See appendix E to this part).

(iii) *Establishment of CE Guides and Installation Maps.* When valid communication requirements exist, publications in this category may be established by the commander, if feasible. (See appendix B to this part) Only one CE guide and installation map is authorized for each command or installation. The requirements of paragraph (b)(4) of this section, apply to CE guides and installation maps. These publications shall be approved by the next higher level. Approval authorities shall exercise care not to overburden community advertisers.

(iv) *Use of trademark.* The DoD Components and their subordinate levels shall trademark—State, Federal, or both—the names of their publications when possible.

(v) *Use of recycled products.* The public affairs office shall, whenever possible, based on contractual agreements, use recycled paper for publications covered under this part.

(vi) *Mailing requirements and sales and distribution of non-DoD publications.* See appendix C to this part.

(vii) *AFIS print media directorate.* See appendix D to this part.

(viii) *DoD command newspaper and magazine review system.* See appendix E to this part.

(6) When, in the opinion of the Assistant Secretary of Defense for Public Affairs, or the Combatant Command Commander, a Combatant Command

newspaper is needed, establishment shall be directed by the Secretary of Defense. Both appropriated and nonappropriated funds may be used in the publication of overseas Combatant Command newspapers.

(7) *Establishment of magazines.* New magazines shall be approved by the Head of the publishing DoD Component. New magazines serving the Military Services shall be approved in accordance with Service procedures. Only one DoD magazine or newspaper is authorized for each command or installation. Magazines are normally financed through appropriated funds. When CE magazines are approved, provisions in this part regarding advertising and contracting for CE publications apply to CE magazines. Magazines must:

(i) Serve a clearly defined purpose in support of the mission of the publishing DoD Component, and the purpose must justify the cost.

(ii) Not duplicate equivalent magazines serving the same, or substantially the same purpose.

(iii) Be published and distributed efficiently and economically.

(iv) Be reviewed every two years by the publishing DoD Component to ensure they are in compliance with this part, are mission essential, and are economically achieving their desired objective.

§ 247.7 Information requirements.

The biennial reporting requirement contained in this part has been assigned Report Control Symbol DD–PA(BI) 1638.

APPENDIX A TO PART 247—FUNDED NEWSPAPERS AND MAGAZINES

A. *Purpose.* Funded newspapers and magazines support the command communication requirements of the DoD Components and their subordinate commands. Normally, printing is accomplished by a commercial printer under contract or in government printing facilities in accordance with DoD Directive 5330.3.[1] The editorial content of these publications and distribution are accomplished by the contracting command. Overseas, Funded newspapers are authorized to be printed under contract with the *S&S*. Where printing by *S&S* is not feasible because of distance or other factors, Funded newspapers may be printed by other means. These are evaluated on a case-by-case basis with the cognizant DPS office.

B. *Name.* The name of the publication may include the name of the command or installation, or, the name of the command or installation may appear separately in the nameplate (flag). The emblem of the command or installation may be included in the nameplate, also. When possible, the DoD Components and their subordinate levels shall trademark the names of their publications, as stated in § 247.5(d).

C. *Masthead.* The masthead shall include the names of the commanding officer and the PAO, the names and editorial titles of the primary staff of the publication, and the mailing address and telephone number of the editorial staff, in addition to that required in § 247.4(i).

D. *News and editorial materials.* The commander and the public affairs staff shall generate and select news, information, photographs, editorial, and other materials to be used. Authorized news and information sources include the Office of the Assistant Secretary of Defense for Public Affairs (OASD(PA)), AFIS, the Military Departments, their subordinate levels of command, and other Government Agencies. Civilian community service news and announcements of benefit to personnel assigned to the command or installation and their family members may also be used. Photographic images used will be in compliance with § 247.4(r).

E. *Assignment of personnel.* Military and DoD civilian personnel may not be assigned to duty at the premises of the contract printer to perform any job functions that are part of the business activities or contractual responsibilities of the contract printer. Members of the public affairs staff who produce editorial content may work on the premises as liaison and monitor to specify and coordinate layout and other production details provided for in the command contract with the contract printer. A member of the public affairs staff shall review proof copy to prevent mistakes.

F. *Funding.* The expense of publishing and distributing Funded newspapers and magazines is charged to appropriated funds of the publishing command.

G. *Printing.* Printing of a funded publication shall be handled in accordance with DoD Directive 5330.3 in conjunction with the DoD Component's printing function with public affairs as the office of primary publishing interest. The use of color is authorized if the cognizant commander, the DoD Component's printing function and the PAO determine it enhances communication.

H. *Distribution.* Funded publications may be distributed through official channels. Appropriated funds and manpower may be used

[1] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22121.

for distribution of Funded publications, as required.

I. *Advertising.* Funded publications shall not carry commercial advertising. As a service, the Funded newspaper may carry nonpaid listings of personally owned items and services for sale by members of the command. Noncommercial news stories and announcements concerning nonappropriated fund activities and commissaries may be published in funded publications.

J. *Employment and gratuities.* DoD personnel shall not accept any gratuities from or employment with any GPO-contracted printers in violation of the DoD 5500.7-R,[2] the Joint Ethics Regulation. In addition, DoD personnel whose spouse or children (or other relatives as described in the Joint Ethics Regulation) are offered employment by, or work for, a GPO-contracted printer, must take appropriate action to avoid conflicts of interest.

APPENDIX B TO PART 247—CE PUBLICATIONS

A. *Purpose.* CE publications consist of DoD newspapers, magazines, guides, and installation maps. They support command internal communications. The commander or public affairs office provides oversight and final approval authority for the news and editorial content of the publication. CE publishers sell advertising to cover costs and secure earnings, print the publications, and may make all or part of the distribution. Periodically, CE publishers compete for contracts to publish these publications. Neither appropriated nor nonappropriated funds shall be used to pay for any part of a CE publisher's costs incurred in publishing a CE publication.

B. *Name.* The name of the publication may include the name of the command or installation, or the name of the command or installation may appear separately in the nameplate (flag). The emblem of the command or installation may also be included in the nameplate. When possible, the DoD Components and their subordinates shall trademark the names of their publications, as stated in §247.6(d).

C. *Masthead.* The masthead shall include the following in addition to that required in §247.4 (i) and (j). ''The editorial content of this publication is the responsibility of the (name of command or installation) Public Affairs Office.'' The names of the commanding officer and PAO, the names and editorial titles of the staff assigned the duty of preparing the editorial content, and the office address and telephone number of the editorial staff shall be listed in the masthead of DoD newspapers, but is not required in CE guides and installation maps. The names of the publisher and employees of the publisher may be listed separately.

D. *News and editorial materials.* The commander or the public affairs office shall provide oversight and final approval authority for news, information, photographs, editorial, and other materials to be used in a CE publication in the space allotted for that purpose by written contract with the commercial publisher. Authorized news and information sources include the OASD(PA), AFIS, the Military Departments and their subordinate levels of command, and other Government Agencies. CE contractor personnel may provide material for use in the publication if approved by the commander or PAO, as the commander's representative. Commercial news and opinion sources, such as AP, UPI, New York Times, etc., are not normally authorized for use in DoD publications except as stated in §247.4(q). Newspapers may publish community service news and announcements of the civilian community for the benefit of command or installation personnel and their families. Imagery used will be in compliance with §247.4(r).

E. *Assignment of personnel.* Neither military nor DoD civilian personnel shall be assigned to duty at the premises of the CE publisher. Neither military nor DoD civilian personnel shall perform any job functions that are part of the business activities or contractual responsibilities of the CE publisher either at the contractor's facility or the Government facility. The PAO and staff who produce the non-advertising content of the CE publication may perform certain installation liaison functions on publisher premises including monitoring and coordinating layout and design and other publishing details set forth in the contract to ensure the effective presentation of information. One or more members of the public affairs staff shall review proof copy to prevent mistakes. Newspaper text-editing-system pagination and copy terminals owned by the CE publisher may be placed in the command or installation public affairs office under contractual agreement for use by the public affairs staff to coordinate layout and ensure that the preparation of editorial material is performed in such a way as to enhance the efficiency and effectiveness of the printing and publication functions performed by the CE publisher. All costs of these terminals shall be borne by the CE newspaper publishers who shall retain title to the equipment and full responsibility for any damage to or loss of such equipment. The relationship between the public affairs staff and employees of the CE contractor is that of Government employees working with employees of a private contractor. Supervision of CE employees; that is, the responsibility to rate performance, set rate of pay, grant vacation time, exercise discipline, assign day-to-day administrative tasks, etc.,

[2] See footnote 1 to section A. of this appendix.

remains with the CE publisher. Any modification of the contract must be made by the responsible contracting officer. Public affairs staff members must be aware that employees of the contractor are not employees of the government and should be treated accordingly.

F. *Distribution of CE publications.*

1. A funded newspaper shall not be distributed as an insert to a CE newspaper, unless provided for in the CE contract, nor shall a CE newspaper be distributed as an insert to a funded newspaper.

2. Supplements, clearly labeled as such, and advertising inserts, may be inserted into and distributed with a CE newspaper.

3. The commercial publisher of a CE publication shall make as much of the distribution to the intended readership as possible. CE publications may be distributed through official channels.

4. Except as authorized by the next higher headquarters for special situations or occasions (such as an installation open house), CE publications shall not be distributed outside the intended DoD audience and retirees, which includes family members. Electronic publication on the internet/world wide web is not considered distribution outside the intended DoD audience. The CE publisher may provide complete copies of each specific issue of a CE publication to an advertiser whose advertisement is carried therein.

5. The CE publisher of a CE newspaper will provide the appropriate number of news racks determined by the installation commander for publication distribution.

CE PUBLISHERS ARE RESPONSIBLE FOR MAINTENANCE OF THESE RACKS.

6. CE guides, magazines, and installation maps may be delivered in bulk quantities to the appropriate installation offices to distribute these publications through official channels as necessary.

G. *Responsibilities regarding advertising.*

1. Only the CE publisher shall use the space agreed upon for advertising. While the editorial content of the publication is completely controlled by the installation, the advertising section, including its content, is the responsibility of the CE publisher. The public affairs staff, however, retains the responsibility to review advertisements before they are printed.

2. Any decision by a CE publisher to accept or reject an advertisement is final. The PAO may discuss with a publisher their decision not to run an advertisement, but cannot substitute his judgment for that of the publisher.

3. Before each issue of a CE publication is printed, the public affairs staff shall review advertisements to identify any that are contrary to law or to DoD or Military Service regulations, including this part, or that may pose a danger or detriment to DoD personnel or their family members, or that interfere with the command or installation missions. It is in the command's best interest to carefully apply DoD and Service regulations and request exclusion of only those advertisements that are clearly in violation of this part. If any such advertisements are identified, the public affairs office shall obtain a legal coordination of the proposed exclusion. After coordination, the public affairs office shall request, in writing if necessary, that the commercial publisher delete any such advertisements. If the publisher prints the issue containing the objectionable advertisement(s), the commander may prohibit distribution in accordance with DoD Directive 1325.6.[1]

4. DoD Directive 1325.6 gives the commander authority to prohibit distribution on the installation of a CE publication containing advertising he or she determines likely to promote a situation leading to potential riots or other disturbances, or when the circulation of such advertising may present a danger to loyalty, discipline, or morale of personnel. Each commander shall determine whether particular advertisements to be placed by the publisher in a CE publication serving the command or installation may interfere with successful mission performance. Some considerations in this decision are the local situation, the content of the proposed advertisement, and the past performance of the advertiser. Prior to making a determination to prohibit distribution of a CE publication, the commander shall obtain a legal coordination.

5. CE publications may carry paid and nonpaid advertising of the products and services of nonappropriated fund activities and commissaries, if allowed by DoD and Military Service regulations. (See DoD Instruction 1015.2[2])

6. The Military Departments will coordinate a standard set or ratios of advertising-to-editorial copy for multiples of pages for run of the publication advertising in CE publications that will be included in all DoD Component regulations supplementing this part. The recommended annual average is a ratio of 60/40. Inserts and advertising supplements will not count in the total ad-to-copy ratio; However, the commander may prohibit the distribution of supplemental advertising deemed excessive.

7. Bingo games and lotteries conducted by a commercial organization whose primary business is conducting lotteries may not be advertised in CE publications. Non-lottery

[1] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

[2] See footnote 1 to section G.3. of this appendix.

activities (such as dining at a restaurant or attending a musical performance) of a commercial organization whose primary business is conducting lotteries may be advertised in CE publications. Exceptions are allowed for authorized State lotteries, lotteries conducted by a not-for-profit organization or a governmental organization, or conducted as a promotional activity by a commercial organization and clearly occasional and ancillary to the primary business of that organization. An exception also pertains to any gaming conducted by an Indian tribe under 25 U.S.C. 2720. See section D. of appendix C to this part.

H. *CE guides and maps.*

1. The name of the publication may include the name and emblem of the command or installation.

2. At the discretion of the commander, an installation telephone directory may be included as a section of a CE guide. The telephone section shall be part of the guide contract specifications. Separate contracts for CE telephone directories are not authorized. Over-run printing of the telephone directory/yellow pages section of the installation guide is authorized. The number of guides with integral telephone directories and the number of over-run copies of the telephone directory/yellow pages will be clearly specified in the single guide contract. Required communication security information shall be printed on the first page of the telephone section and not on the cover of the guide. The cover of the guide may notify users that the publication contains the telephone directory.

3. CE contracts for guides and maps shall establish firm delivery dates and shall contain provisions to ensure distribution is controlled by the command. Delivery dates may vary for guides and maps to make them more attractive to advertisers. The contract provisions shall specify delivery dates.

I. *Employment and gratuities.* DoD personnel shall not accept any gratuities from or employment with any CE publisher in violation of DoD Directive 5500.7–R.[3] In addition, DoD personnel whose spouse or children (or other relations as described in DoD Directive 5500.7–R) are offered employment by, or work for, a CE publisher, must take appropriate action to avoid conflicts of interest.

J. *Contracting for a CE publication.*

1. *General.* The DoD Components and their subordinate commands are authorized to contract in writing for CE publications. The underlying premise of the CE concept is that the DoD Components and their subordinate commands will save money by transferring certain publishing and distribution functions to a commercial publisher selected through a competitive process. The CE publication is printed and delivered to the command, installation, or its readership in accordance with the terms of a written contract. Oral contracts are not acceptable. The right to sell and circulate advertising to the complete readership in the CE publication provides the publisher revenue to cover costs and secure earnings. The command or installation guarantees first publication and distribution of locally-produced editorial content in the publication. The publication becomes the property of the command, installation, or intended reader upon delivery in accordance with terms of the contract.

2. *Contracting process.* Whether a first time initiative to establish a CE publication or a recompetition of an existing CE contract, the process must start with advance planning as to the nature of the command's requirements, the contracting strategy, and the market of potential advertisers and competitors for the job. The CE contract solicitation and the contract itself must contain a statement of work that describes in legally sufficient detail the Government's requirements and the conditions and restrictions under which the contractor will perform. The cognizant contracting office for the CE contracting action shall be the contracting office which normally provides contracting support to the command for service contracts and other procurements of a general nature which are above the simplified small purchase threshold. The contracting officer shall combine the statement of work with appropriate contractual terms and conditions, using 48 CFR chapter I and II as guides, although CE contracts are not subject to the FAR or DFARS, because they do not involve the expenditure of appropriated funds. The resulting solicitation and contract shall completely identify the rights and obligations of both parties. Proposals shall be solicited from all known commercial publishers who could potentially become the CE contractor. Upon evaluation of the competing proposals by the Source Selection Advisory Committee (SSAC) and selection of a winner by the selecting official, the CE contract shall be awarded by the contracting officer. The CE contract shall not require the contractor to pay money to the command or to provide goods, services, or other consideration not directly related to the CE publication. In the event that only one offer is received, the SSAC may recommend to the selecting official that no award be made or that the contracting officer enter into negotiations with the sole offeror to obtain the best possible service and product for the Government.

3. *Statement of Work (SOW).* The SOW should be written to have the CE contractor perform as many of the publishing and distribution functions as practical to generate

[3] See footnote 1 to section G.3. of this appendix.

maximum savings to the Department of Defense. In so doing, care must be taken to balance Government requirements with a realistic view of the advertising revenue potential so as to achieve a contract that is commercially viable. The command's internal information needs shall be paramount. Some of the key issues that shall be addressed in the SOW follow:

a. A general description of the scope of the proposed contract including the name and nature of the publication involved; for example, weekly newspaper, monthly magazine, annual guide and installation map. Normally, guides and installation maps are included in the same contract.

b. A description of editorial content to be carried; e.g., news, features, supplements, and factual information, along with provisions addressing the possible inclusion of contractor-furnished advertising supplements for newspapers, provided any such supplement shall have the prior approval of the commander.

c. A description of the rules for the inclusion of advertising in the publication, substantially as follows: ''The contractor agrees not to include in the publication any advertising of the following types: (1) paid political advertisements for a candidate, party, or which advocate a particular position on a political issue, including advertisements advocating a position on any proposed DoD policy or policy under review, or which advocate lobbying elected officials on a specific issue; (2) advertisements for any establishment declared ''off limits'' by the command; (3) advertisements that are contrary to law or to DoD or Military Service regulations or that in the government's opinion pose a danger or detriment to DoD personnel or their family members, or that interfere with the command or installation missions; (4) advertisements for bingo games or lotteries conducted by a commercial organization whose primary business is conducting lotteries; (5) (other restrictions deemed appropriate by the Service/command, if any.)'' Additionally, the contract will contain provisions which: (1) specify the annual average advertising-to-editorial ratio for newspapers and magazines; (2) state that the commander's representative shall have the authority to specify newspaper advertising layout when required to enhance communication's effectiveness of the publication; and (3) which requires the contractor to notify advertisers of the requirements in §247.4(i) and §247.4(j).

d. A provision substantially as follows: ''The contractor agrees not to enter into any exclusive advertising agreement with any firm, broker, or individual for the purpose of selling advertising associated with this contract.''

e. A description of the CE contractor's responsibilities for distribution of the publication. This provision should address such matters as contractor furnishing of news racks along with contractor responsibility for maintenance of these racks.

f. A description of contractor-owned and/or contractor-furnished equipment such as text editing, copy terminals, and modems determined to be required to coordinate layout and ensure that the preparation of editorial material is performed in such a way as to enhance the efficiency and effectiveness of the publication process.

g. A description of contractor-furnished editorial support services determined to be required. Such description must be in terms of the end product required; e.g., photography service and/or writer/reporter services, and not as a requirement to make available certain contractor personnel. In day-to-day performance and administration of the CE contract, contractor personnel performing such support services shall not be treated in any way as though they are Government employees.

h. A provision that the use, where economically feasible, of recycled paper for internal products will be a consideration for awarding the contract, as stated in §247.6 (e).

i. SOW's and RFP's for CE newspapers shall specify standard newsprint, recyclable, subject to requirements of applicable laws and regulations.

j. For CE magazines, a provision requiring the contractor to provide a bulk number of copies of each printing to the Government Printing Office (GPO) for distribution to Federal Depository Libraries. The number of copies to be provided will be determined on the number of libraries desiring to subscribe to the publication. The number could be a maximum of 1,400, but has historically averaged approximately 500 to 600 copies for military magazines. The contractor would be required to contact GPO to initiate this procedure at (202)512–1071.

4. *Contract provisions.* The CE concept is based on an exception to the Government Printing and Binding Regulations[4] published by the Congressional Joint Committee on Printing. While CE contracts are not subject to the FAR (48 CFR chapter I) or the DFARS (48 CFR chapter II), the FAR contains many clauses that are useful in protecting the interests of the Government. The following clauses may be helpful in obtaining the best possible CE publication:

a. *Status of FAR clause.* To clarify the status of FAR clauses appearing in CE contracts, the following clause shall be included in all new CE contracts:

''The (name of DoD installation/unit/organization) is an element of the United States Government. This agreement is a United

[4] Copies may be obtained, at cost, from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402.

States Government contract authorized under the provisions of DoD Instruction 5120.4[5] as an exception to the Government Printing and Binding Regulations published by the Congressional Joint Committee on Printing. Although this contract is not subject to the Federal Acquisition Regulation (FAR) or the Defense FAR Supplement (DFARS), FAR clauses useful in protecting the interests of the Government and implementing those provisions required by law are included in this contract.''

b. *Option clause.* Insert a clause substantially the same as the following to extend the term of the CE publisher contract:

(1) ''The Government may extend the term of this contract by written notice to the contractor within [insert in the clause the period of time in which the contracting officer has to exercise the option]; provided that the Government shall give the contractor a preliminary written notice of its intent to exercise the option at least 60 days before the contract expires. The preliminary notice does not commit the government to exercise the option.'' In the case of base closure or realignment the publisher has the right to request a renegotiation of the contract.

(2) ''If the Government exercises this option, the extended contract shall be considered to include this option provision.''

(3) ''The total duration of this contract, including the exercise of any options under this clause, shall not exceed 6 years.''

c. *Default clause.* Insert the following clause in solicitations and contracts:

(1) ''The Government may, by written notice of default to the contractor, terminate this contract in whole or in part if the contractor fails to:

(a) Deliver the CE publications in the quantities required or to perform the services within the time specified in this contract or any extension;

(b) Make progress, so as to endanger performance of this contract;

(c) Perform any of the other provisions of this contract.''

(2) ''If the Government terminates this contract in whole or in part, it may acquire, under the terms and in the manner the contracting officer considers appropriate, supplies or services similar to those terminated. However, the contractor shall continue the work not terminated.''

(3) ''The rights and remedies of the Government in this clause are in addition to any other rights and remedies provided by law or under this contract.''

d. *Termination for convenience of the Government.* Insert the following clause in solicitations and contracts:

''The contracting officer, by written notice, may terminate this contract, in whole or in part if the services contracted for are no longer required by the Government, or when it is in the Government's interest, such as with installation closures. Any such termination shall be at no cost to the Government.'' The Government will use its best efforts to mitigate financial hardship on the publisher.

5. *Term of contract.* CE contracts may be entered into for an initial period of up to 2 years, and may contain options to extend the contract for one or more additional periods of 1 or 2 years duration. The total period of the contract, including options, shall not exceed 6 years, after which the contract must be recompeted.

6. *Exercise of options.* Under normal circumstances, when the contractor is performing satisfactorily, options for additional periods of performance should be exercised. However, the exercise of the option is the exclusive right of the Government.

7. *Modification of the contract.* Any changes to the SOW or other terms and conditions of the contract shall be made by written contract modification signed by both parties.

8. *SSAC.* The commander shall appoint an SSAC. The committee shall participate in the development of the Source Selection Plan (SSP) before the solicitation of proposals, evaluate proposals, and recommend a source to the selecting official. Since cost is not a factor in the evaluation, award will be based on technical proposals, the offeror's experience and/or qualifications, and past performance.

a. The SSAC shall consist of a minimum of five voting members: a chairperson, who shall be a senior member of the command; senior representatives from public affairs and printing; and a minimum of two other functional specialists with skills relevant to the selection process. Each SSAC shall have non-voting legal and contracting advisors to assist in the selection process.

b. In arriving at its recommendations, the SSAC shall follow the SSP and avail itself of all relevant information, including the proposals submitted, independently derived data regarding offerors' performance records, the results of on-site surveys of offerors' facilities, where feasible, and in appropriate cases, personal presentations by offerors.

c. The work of the SSAC must be coordinated with the contracting officer to ensure that the process is objective and fair. All communications between the offerors and the Government shall be through the contracting officer. No member of the SSAC or the selecting official shall communicate directly with any offeror regarding the source selection.

d. In cases where a losing competitor requests a debriefing from the contracting officer, members of the SSAC may be called upon to participate so as to give the losing competitor the most thorough explanation

[5] See footnote 1 to section G.3. of this appendix.

practical as to why its proposal was not successful. No information regarding competitors' proposals shall be discussed with the unsuccessful offerors during debriefings, discussions, or negotiations.

9. *SSP.* A SSP (see sample SSP at attachment 1 to this appendix) must be developed early in the planning process to serve as a guide for the personnel involved and ensure a fair and objective process and a successful outcome. The contracting officer is primarily responsible for development of the SSP, in coordination with the PAO and other members of the SSAC. Ideally, the SSP should be completed and approved prior to issuance of the solicitation; it must be completed and approved before the receipt of proposals.

10. *Evaluation criteria and proposal requirements.* The solicitation must specify, in relative order of importance, the factors the Government will consider in selecting the most advantageous proposal. In addition, the solicitation must specify the types of information the proposal must contain to be properly evaluated. These two aspects of the solicitation must closely parallel one another. The contracting officer is primarily responsible for development of these two solicitation provisions, in coordination with the PAO, legal counsel, and members of the SSAC.

a. *Evaluation criteria for award.* Drawing upon the SSP, this feature of the solicitation must advise offerors what factors the Government will consider in evaluating proposals and the relative importance of each factor. The sample SSP (attachment 1 to this appendix) provides an example of criteria that might be used. Note that under the ''Services and/or Items Offered'' factor, paragraph E.2.b. of attachment 1 to this appendix, it is necessary to list and indicate the relative importance of services and/or items *above the minimum requirements of the SOW* that the command would consider desirable and that, if offered, will enhance the offeror's evaluation standing. The offer of services and/or items not listed in the evaluation criteria shall not be considered in the evaluation of proposals, but may be accepted in the contract award if deemed valuable to the Government, PROVIDED the service and/or item involved is directly related to producing the publication and not in violation of any other statute or regulation. Examples of items that cannot be considered during the evaluation process are; press kits, laminated maps, economic development reports, or other separate publications not an integral part of the CE publication.

b. *Proposal requirements.* This provision of the solicitation must describe the specific and general types of information necessary to be submitted as part of the proposal to be evaluated. Offerors shall be notified that unnecessarily elaborate proposals are not desired.

ATTACHMENT 1 TO APPENDIX B TO PART 247—SSP

A. Introduction

1. The objectives of this plan are:

a. To ensure an impartial, equitable, and thorough evaluation of all offerors' proposals in accordance with the evaluation criteria presented in the request for proposals (RFP).

b. To ensure that the contracting officer is provided technical evaluation findings of the SSAC in such a manner that selection of the offer most advantageous to the Government is ensured.

c. To document clearly and thoroughly all aspects of the evaluation and decision process to provide effective debriefings to unsuccessful offerors, to respond to legal challenges to the selection, and to ensure adherence to evaluation criteria.

2. This plan will be used to select a CE contractor for publication of the _____ newspaper (CE guide, magazine, or installation map) and will:

a. Give each SSAC member a clear understanding of his or her responsibilities as well as a complete overview of the evaluation process.

b. Establish a well-balanced evaluation structure, equitable and uniform scoring procedures, and a thorough and accurate appraisal of all considerations pertinent to the negotiated contracting process.

c. Provide the selecting official with meaningful findings that are clearly presented and founded on the collective, independent judgment of technical and managerial experts.

d. Ensure identification and selection of a contractor whose final proposal offers optimum satisfaction of the Government's technical and managerial requirements as expressed in the RFP.

e. Serve as part of the official record for the evaluation process.

B. Organization and Staffing

1. The SSAC will consist of the Chairperson and a minimum of four other voting committee members plus the non-voting advisors to the SSAC.

2. The SSAC committee members are:

Name	Position
	Chairperson
	Member
	Member
	Member
	Member
	Legal Advisor [1]

Name	Position
	Contract Advisor [1]

[1] Non-voting members.

C. Responsibilities

1. Selecting Official:

a. Approves the SSP.

b. Reviews the evaluation and findings of the SSAC.

c. Considers the SSAC's recommendation of award.

d. Selects the successful offeror.

2. Chairperson of the Source Selection Advisory Committee (C/SSAC):

a. Reviews the SSP.

b. Approves membership of the SSAC.

c. Analyzes the evaluation and findings of the SSAC and applies weights to the evaluation results.

d. Approves the SSAC report for submission to the selecting official.

3. Contracting Officer:

a. Is responsible for the proper and efficient conduct of the entire source selection process encompassing solicitation, evaluation, selection, and contract award.

b. Provides SSAC and the selecting official with guidance and instructions to conduct the evaluation and selection process.

c. Receives proposals submitted and makes them available to the SSAC, taking necessary precautions to ensure against premature or unauthorized disclosure of source selection information.

4. SSAC members shall:

a. Familiarize themselves with the RFP and SSP.

b. Provide a fair and impartial review and evaluation of each proposal against the solicitation requirements and evaluation criteria.

c. Provide written documentation substantiating their evaluations to include strengths, weaknesses, and any deficiencies of each proposal.

5. Legal advisor:

a. Reviews RFP and SSP for form and legality.

b. Advises the SSAC members of their duties and responsibilities, regarding procurement integrity issues and confidentiality requirements.

c. Participate in SSAC meetings and provide legal advice as required.

d. Provides legal review of all documents supporting the selection decision to ensure legal sufficiency and consistency with the evaluation criteria in the RFP and SSP.

e. Advises the selecting official on the legality of the selection decision.

D. Administrative Instructions

1. *Evaluation overview.* The advisory committee will operate with maximum flexibility. Collective discussion by evaluators at committee meetings of their evaluation findings is permitted in the interchange of viewpoints regarding strengths, weaknesses, and deficiencies noted in the proposals relating to evaluation items. Evaluators will not suggest or disclose numerical scores or other information regarding the relative standing of offerors outside of committee meetings.

2. *Evaluation procedure.* The evaluation of offers is based on good judgment and a thorough knowledge of the guidelines and criteria applicable to each evaluation factor.

a. Numerical scoring is merely reflective of the composite findings of the SSAC. The evaluation scoring system is used as a tool to assist the Chairperson of the SSAC in determining the proposal most advantageous to the Government.

b. The most important documents supporting the contract award will be the findings, conclusions, and reports of the SSAC.

3. *Safeguarding data.* The sensitivity of the proceedings and documentation require stringent and special safeguards throughout the evaluation process:

a. Inadvertent release of information could be a source of considerable misunderstanding and embarrassment to the Government. It is imperative, therefore, for all members of the SSAC to avoid any unauthorized disclosures of information pertaining to this evaluation. Evaluation participants will observe the following rules:

(1) All offeror and evaluation materials will be secured when not in use (i.e., during breaks, lunch, and at the end of the day).

(2) All attempted communications by offeror's representatives shall be directed to the contracting officer. No

communications between members of the SSAC or the selecting official and offerors regarding the contract award or evaluation is permitted except when called upon under the provisions of paragraph J.8.d, of appendix B to this part.

(3) Neither SSAC members or the selecting official shall disclose anything pertaining to the source selection process to any offeror except as authorized by the contracting officer.

(4) Neither SSAC members or the selecting official shall discuss the substantive issues of the evaluation with any unauthorized individual, even after award of the contract.

E. Technical Evaluation Procedures

1. *Evaluation process.* Proposals will be evaluated based on the following criteria as indicated in Section M of the solicitation: The evaluation worksheet (attachment 2 to this appendix) shall be used to score the technical factors. Using the technical evaluation worksheet, each member of the SSAC will independently review each proposal and assign an appropriate number of points to each factor being considered. Point scores for each factor will range from ''0'' to ''5'' based on the committee member's evaluation of the proposal. Upon completion of individual evaluations, the group will meet in committee with the Chairperson and arrive at a single numeric score for each factor in the proposal.

2. *Criteria.* An example of applicable evaluation criteria and their relative order of importance are listed below in paragraphs E.2. a. through d. of this appendix. Criteria and weights are provided as an example only. The SSAC must determine its own weighting factors tailored to meet the needs of the particular CE publication and describe the relative weights assigned in the RFP; e.g., ''Evaluation factors are listed in descending order of importance; criteria #1 is twice as important as criteria #2,'' etc.

a. *Technical and production capability.* Scores will range from ''0'' (unacceptable), to ''5'' (exhibits state-of-the-art, award winning, or clearly superior technical ability to produce the required newspaper, magazine, guide, or installation map). Factors to be considered for newspaper contracts include: level of automation; compatibility of automation with existing PAO automation (unless other automation is provided); printing capability; production equipment; physical plant (capabilities); and driving distance to the plant. Similar factors may be considered for magazines, guides and installation maps.

b. *Services and/or items offered.* Scores will range from ''0'' (unacceptable), to ''5'' (the offer of equipment, such as automation equipment; or services, such as editorial or photographic services as set forth in the contract solicitation that will greatly enhance the newspaper and/or its production). Factors to be considered for newspapers include: offer of automation equipment and the quality and amount of equipment offered; the quality and amount of services offered; the usefulness of the services and/or items to the public affairs office in enhancing the newspaper; the impact of the services and/or items on other parts of the contract. Similar factors may be considered for magazines, guides and installation maps. The offer of equipment or services not specifically related to producing the publication will not result in the assignment of a higher score.

c. *Past performance record.* Scores will range from ''0'' (no experience in newspaper, magazine, guide, or installation map publishing and/or unsatisfactory, previous performance), to ''5'' (long-term, highly successful experience publishing similar newspapers, magazines, guides, or installation maps). Factors to be considered include: demonstrated ability to successfully produce a CE or similar publication; demonstrated printing ability (types of printing, history of newspaper, magazine, guide, or installation map printing); demonstrated success in contract performance in a timely and responsive manner; demonstrated capability to sell advertising and successfully recoup publication costs.

d. *Management approach.* Scores will range from ''0'' (approach unacceptable), to ''5'' (proposal demonstrates a sound and innovative approach to

interfacing with the PAO and managing the CE publication operation). Factors to be considered include: The offeror's proposed approach to:

(1) Interfacing with the PAO staff.

(2) Controlling the quality and timeliness of the finished product.

(3) Sale of ads of the type that enhance the publication's image in the community and with the readership at large.

(4) Ensuring that contractor's personnel are properly supervised and managed.

3. *Weighting factors.* Points will be assigned to the final score of each factor in a proposal as determined by multiplying the score assigned (e.g., ''0,'' ''1,'' ''2,'' ''3,'' ''4,'' or ''5'') by the relative weight of the individual criterion as indicated:

Factor	Relative weight (percent)	Maximum points
CRITERION 1	40	200
CRITERION 2	30	150
CRITERION 3	20	100
CRITERION 4	10	50
	.....	500

(EXAMPLE ONLY):

CRITERION 1: Score 5 (5 × 40), Total Points	200
CRITERION 1: Score 4 (4 × 30), Total Points	120
CRITERION 1: Score 3 (3 × 20), Total Points	60
CRITERION 1: Score 2 (2 × 10), Total Points	20
	400

4. *Report of findings and recommendations.* After the SSAC has completed final evaluation of proposals and all weighting has been completed, the committee will prepare a written report of its findings and recommendations, setting forth the consensus of the committee and its composite scores (Sample at attachment 3 to this appendix). The Chairperson will sign the report to confirm its accuracy and his agreement with the recommendation. All copies of proposals and evaluation worksheets will be returned to the contracting officer.

ATTACHMENT 2 TO APPENDIX B TO PART 247—SAMPLE EVALUATION WORKSHEET

CONTRACTOR _____

EVALUATOR _____

DATE _____

EVALUATION CRITERIA AND SCORES (RANGE 0–5 POINTS FOR EACH)

1. Technical and production capability: _____
2. Services and items offered: _____
3. Past performance record: _____
4. Management approach: _____

NARRATIVE DISCUSSION:[1]

Strengths _____

Weaknesses _____

Deficiencies _____

ATTACHMENT 3 TO APPENDIX B TO PART 247—SAMPLE MEMORANDUM FOR SELECTING OFFICIAL

SUBJECT: Evaluation of Proposals

RFP No. _____

1. All proposals received in response to subject RFP have been evaluated by the Source Selection Advisory Committee (SSAC). The results and comments are listed below.

a. Offeror's proposals were rated as follows:

Offeror Name Numerical Score

b. Summary Narrative Comments.

(This section of the report shall be a summary of the individual strengths and weaknesses in each proposal, along with any deficiencies that are susceptible to being cured through written or oral discussions with the offeror, as noted by the SSC evaluators. This summary should be supported by detailed narratives contained on the individual evaluator's worksheets.)

2. Recommendation.

_____

Chairperson, SSAC

[1] Discussions of strengths, weaknesses, and deficiencies should reference the specific evaluation factor involved to ensure that proposals are evaluated only against the criterion set forth in the RFP, to facilitate debriefings, and to provide an effective defense to any challenges regarding the legality of the selection process.)

APPENDIX C TO PART 247—MAILING OF DOD NEWSPAPERS, MAGAZINES, CE GUIDES, AND INSTALLATION MAPS; SALES AND DISTRIBUTION OF NON-DOD PUBLICATIONS

A. *Policy*. It is DoD policy that mailing costs shall be kept at a minimum consistent with timeliness and applicable postal regulations. (See DoD Instruction 4525.7[1] and DoD 4525.8–M.[2] Responsible officials shall consult with appropriate postal authorities to obtain resolution of specific problems.

B. *Definition*. DoD appropriated fund postage includes all means of paying postage using funds appropriated for the Department of Defense. These means include meter imprints and stamps, permit imprints, postage stamps, and other means authorized by the U.S. Postal Service.

C. *Use of appropriated fund postage.*

1. DoD appropriated fund postage shall be used only for:

a. Mailing copies to satisfy mandatory distribution requirements.

b. Mailing copies to other public affairs offices for administrative purposes.

c. Mailing copies to headquarters in the chain of command.

d. Bulk mailings of DoD newspapers and magazines to subordinate units for distribution to members of the units.

e. Mailing information copies to other U.S. Government Agencies, Members of Congress, libraries, hospitals, schools, and depositories.

f. Mailing of an individual copy of a DoD newspaper, magazine, or CE publication in response to an unsolicited request from a private person, firm, or organization, if such response is in the best interest of the DoD Component or its subordinate levels of command.

g. Mailing copies of DoD newspapers, magazines, guides, or installation maps to incoming DoD personnel and their families to orient them to their new command, installation, and community.

2. DoD appropriated fund postage shall not be used for mailing:

a. To the general readership of DoD newspapers, magazines, guides, and installation maps, unless specifically excepted in this part.

b. By a CE publisher.

c. CE publications other than newspapers and magazines in bulk. (See paragraph C.1.d. of this section).

3. Generally, DoD newspapers, magazines, and CE publications shall be mailed as second class Requester Publication Rate, third-class bulk, or third- or fourth-class mail.

D. *Legal prohibitions.* Compliance with 18 U.S.C., 1302 and 1307 is mandatory. 18 USC Section 1302 prohibits the mailing of publications containing advertisements of any type of lottery or scheme that is based on lot or chance. 18 USC 1307 authorizes exceptions pertaining to authorized State lotteries, lotteries conducted by a not-for-profit organization or a governmental organization, or conducted as a promotional activity by a commercial organization and clearly occasional and ancillary to the primary business of that organization. An exception also pertains to any gaming conducted by an Indian tribe under 25 U.S.C. 2720. Lottery is defined as containing the following three elements:

1. Prize (whatever items of value are offered in the particular game).

2. Chance (random selection of numbers to produce a winning combination).

3. Consideration (requirement to pay a fee to play).

E. *Review of mailing and distribution effectiveness.*

1. Mailing and distribution lists shall be reviewed annually to determine distribution effectiveness and continuing need of each recipient to receive the publication.

2. Distribution techniques, target audiences, readers-per-copy ratios, and use of the U.S. Postal Service to ensure the most economical use of mail services consistent with timeliness shall be revalidated annually.

F. *Non-DoD publications.* A commander shall afford reputable distributors of other publications the opportunity to sell or give away publications at the activity he or she commands in accordance with DoD Directive 1325.6.[3] Such publications shall not be distributed through official channels. These publications may be made available through subscription paid for by the recipient or placed in specific general use areas designated by the commander, such as the foyers of open messes or exchanges. They will be placed only in stands or racks provided by the responsible publisher. The responsible publisher will maintain the stand or rack to present a neat and orderly appearance. Subscriptions paid for by a recipient may be home-delivered by the commercial distributor in installation residential areas.

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[1] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

[2] See footnote 1 to section A. of this appendix.

[3] See footnote 1 to section A. of this appendix.

[4] Copies may be obtained, at cost, from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402.

[3] See footnote 1 to section A. of this appendix.

APPENDIX D TO PART 247—AFIS PRINT MEDIA DIRECTORATE

A. *General.* The Print Media Directorate (PMD), an element of AFIS, develops, publishes, and distributes a variety of print media products that support DoD-wide programs and policies for targeted audiences throughout the DoD community. Products include the following:

1. *American Forces Press Service,* news and feature articles, photographs, and art targeted principally to editors of DoD newspapers.

2. *DEFENSE* magazine, a bimonthly magazine featuring articles authored by senior military and civilian officials on DoD programs and policies. An annual almanac edition highlights DoD's organization and statistical information.

3. *Defense Billboard,* a monthly poster featuring topics of particular interest to junior Military Service members, but applicable to general DoD audiences.

4. Pamphlets, booklets, and other posters covering a variety of joint interest information topics.

5. PMD posts the *Press Service* on Military Service computer bulletin boards and internet world wide web sites. PAOs and editors may download text and art in a form readily usable for word processing or desktop publishing. All other PMD publications should be requisitioned through the Military Service's or organization's publications distribution system.

6. Additional information may be obtained on the internet using the AFIS Uniform Resource Locator: http://www.dtic.mil/defenselink/afis/.

B. *Use of materials published by print media directorate.* With the exception of copyrighted matter, all materials published by PMD may be reproduced or adapted for use by DoD newspaper and magazine editors as appropriate. When PMD material is edited or revised, accuracy and conformance to DoD policy and accepted standards of good taste will be maintained. Due to the policy-oriented nature of *DEFENSE* magazine contents, particular care shall be taken to preserve the original context, tone, and meaning of any material adapted, revised, or edited from this publication.

C. *Eligible activities.* The following activities are eligible to receive the above listed PMD products:

1. All authorized DoD newspapers and magazines.

2. Headquarters of the DoD Components and their subordinate commands.

3. Proponent offices of DoD periodicals published by the DoD Components.

4. Armed Forces Radio and Television Service networks and outlets.

5. Isolated commands and detachments at which DoD newspapers are not readily available.

APPENDIX E TO PART 247—DOD COMMAND NEWSPAPER AND MAGAZINE REVIEW SYSTEM

A. *Purpose.* The purpose of the DoD command newspaper and magazine review system is to assist commanders in establishing and maintaining cost-effective internal communications essential to mission accomplishment. The system also enables internal information managers to assess the cost and effective use of resources devoted to command newspapers and to provide requested reports.

B. *Policy.* DoD newspapers and magazines shall be reviewed and reported biennially. The review process is not intended to replace day-to-day quality assurance procedures or established critique programs.

C. *Review criteria.* Each newspaper and magazine shall be evaluated on the basis of mission essentiality, communication effectiveness, cost-effectiveness, and compliance with applicable regulations.

D. Reporting requirements.

1. The DoD Components (less the Military Departments) shall forward, by January 31 of each even numbered year, the information indicated at attachment 1 to this appendix for each newspaper published to: Director, American Forces Information Service, ATTN: Print Media Plans and Policy, 601 North Fairfax Street, Alexandria, VA 22314–2007.

2. No later than April 15 of each even-numbered year, the Secretary (or designee) of each Military Department shall forward to the address above a report of the Military Department's review of newspapers and magazines. This report shall include summary data on total number of newspapers and magazines, along with a listing of the information indicated at attachment 1 to this appendix.

3. One information copy of each issue of all DoD newspapers and magazines shall be forwarded on publication date to the address in paragraph H.1. of this appendix.

4. Information copies of CE contracts shall be forwarded to the address in paragraph H.1. of this appendix, upon request.

5. Administrative Instructions shall be issued by the Director, AFIS, for the annual review and reporting of newspapers and magazines.

ATTACHMENT 1 TO APPENDIX E TO PART 247—NEWSPAPER AND MAGAZINE REPORTING DATA

As required by section H. of this appendix, the following information shall be provided biennially regarding newspapers and magazines:

A. Name of newspaper or magazine.

B. Publishing command and mailing address.

C. Printing arrangement:

1. Government equipment.

2. Government contract with commercial printer.

3. CE contract with commercial publisher (provide name, mailing address, and phone number of commercial publisher).

D. Frequency and number of issues per year.

E. Number of copies printed and estimated readership.

F. Paper size (metro, tabloid, or magazine format).

PART 248—DEPARTMENT OF DEFENSE PERIODICALS

Sec.
248.1 Purpose.
248.2 Applicability and scope.
248.3 Definitions.
248.4 Policy.
248.5 Authorities and responsibilities.
248.6 Funding.

AUTHORITY: 5 U.S.C. 301.

SOURCE: 43 FR 8137, Feb. 28, 1978, unless otherwise noted.

§248.1 Purpose.

This part established Department of Defense policies, criteria, and controls that govern the publication of DoD periodicals.

§248.2 Applicability and scope.

(a) The provisions of this part apply to the Office of the Secretary of Defense, the Military Departments, the Organization of the Joint Chiefs of Staff, the Unified and Specified Commands, and the Defense Agencies, hereafter referred to as ''DoD Components.''

(b) This Directive does not encompass Armed Forces newspapers and civilian enterprise publications as defined in 32 CFR part 202; manuals, pamphlets, directives, instructions, regulations, opinions, decisions, official notices, circulars, reports, internal information bulletins issued by a DoD Component headquarters; and primarily (75 percent or more) statistical materials.

§248.3 Definitions.

(a) Periodicals within the purview of this part are: Any classified or unclassified DoD magazine or newsletter-type publication published at regular intervals, at least semiannually, for the purpose of disseminating information and material necessary to the issuing activity, with a continuing policy as to format, content, and purpose. Periodicals are nondirective in nature and are usually published to inform and motivate DoD personnel, increase their knowledge, or improve their performance.

(b) Classes of periodicals are:

(1) Class I: Total annual cost is $20,000, or more.

(2) Class II: Total annual cost is less than $20,000, but more than $5,000.

(3) Class III: Total annual cost is $5,000, or less.

(c) The term ''DoD personnel'' refers to military and civilian members of the DoD Components.

§248.4 Policy.

(a) *General.* (1) Each DoD Component proposing to publish a DoD periodical shall conduct an evaluation to determine whether or nor the periodical should be established. The determination should be based on the following:

(i) The periodical must serve a clearly defined purpose in support of the mission of the publishing DoD Component.

(ii) The purpose to be served must justify the cost.

(iii) High standards of editorial quality, accuracy, and good taste must be maintained.

(iv) A periodical is the necessary medium of communication between the publishing activity and its intended readership.

(v) Equivalent periodicals serving the same, or substantially the same, purpose do not exist.

(vi) The potential readership can be specified clearly.

(vii) The periodical can be distributed efficiently and economically to the intended readerdship.

(viii) The nature, amount, and assured sources of information to be disseminated justify the foremat, production, specifications, and frequency of issue.

(ix) Adequate resources are available to produce the periodical.

Current or estimated costs are consistent with the periodical's objectives.

(x) The periodical has current applicability and is consonant with existing law and DoD policies.

(2) All personnel responsible for publishing DoD periodicals shall comply with the provisions of the current edition of the Government Printing and Binding Regulations[1] and OMB Circular No. A–3.[2]

(3) DoD periodicals shall not carry partisan political compaign articles, editorials, or advertisement.

(4) No appropriated or nonappropriated funds may be used to defray publishing costs of a non-DoD periodical published by a private firm, corporation, individual, or organization.

(5) DoD personnel may not be assigned to serve on the editorial, production, or business staffs of a non-DoD periodical that is published by a private firm, corporation, individual, or organization.

(6) Editors of DoD periodicals will conform to applicable regulations, laws involving libel and copyright, and postal regulations.

(7) Dissemination of DoD statistical information in any periodical shall comply with the provisions of DoD Directive 5000.20.[3]

(b) *Elimination of duplication*. (1) To eliminate duplication, periodicals dealing with common subject areas shall be published along DoD-wide functional lines, rather than individual Component lines.

(2) No DoD Component shall be required to contribute to a consolidated common-use periodical more of its resources than it expends in publishing a related single-Component periodical.

[1] Copies available from Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

[2] Copies available from the Office of Management and Budget (Publications) New Executive Office building, 726 Jackson Place NW., Washington, DC 20503.

[3] Filed as part of original. Copies may be obtained, if needed, from the U.S. Naval Publications and Forms Center, 5801 Tabor Avenue, Philadelphia, Pa. 19120. Attention: Code 301.

§ 248.5 Authorities and responsibilities.

(a) *The Assistant Secretary of Defense (Public Affairs)* shall:

(1) Establish, and ensure compliance with, supplemental policies, standards, and controls governing the publication of DoD periodicals.

(2) Evaluate the effectiveness of DoD Component policies, standards, and controls that relate to DoD periodicals, and effect such changes as may be warranted.

(3) Institute programs, in conjunction with the DoD Components, for the purpose of increasing the proficiency of editorial personnel in editorial writing, periodical production, management, and cost effectiveness.

(4) Establish a research resource to:

(i) Provide professional guidance to DoD Components in the conduct of mass communications research.

(ii) Evaluate completed research.

(iii) Coordinate periodical research within the DoD Components.

(5) In coordination with the DoD Components concerned, examine the apparent duplication of periodicals and direct the elimination of those found to be duplicative or of marginal value. (See § 248.4(b).)

(b) *The Head of each DoD Component* shall designate an office to monitor the Component's internal periodicals, and:

(1) Conduct a coordinated review of its standards for publication, distribution, evaluation, review and approval;

(2) Maintain a current inventory of its periodicals; and

(3) Submit such reports as may be required by the ASD(PA).

§ 248.6 Funding.

DoD periodicals will be financed within available appropriated or nonappropriated funds and will be produced as economically as possible, consistent with the need for efficient communication (See DoD Instruction 7041.3.[4]) Funding will be in accordance with established management practices of the DoD Component concerned.

[4] See footnote 1 to § 248.4(a)(2).

PART 249—PRESENTATION OF DoD-RELATED SCIENTIFIC AND TECHNICAL PAPERS AT MEETINGS

Sec.
249.1 Purpose.
249.2 Applicability and scope.
249.3 Definitions.
249.4 Policy.
249.5 Procedures.
249.6 Responsibilities.

AUTHORITY: 10 U.S.C. 130.

SOURCE: 52 FR 41708, Oct. 30, 1987, unless otherwise noted.

§249.1 Purpose.

This part amplifies policy set forth in DoD Directive 3200.12,[1] assigns responsibilities, prescribes procedures, and provides guidance for consideration of national security concerns in the dissemination of scientific and technical information in the possession or under the control of the Department of Defense at conferences and meetings. It supports current policies regarding classified meetings and requirements for review of scientific and technical papers; provides guidance for reviewing and presenting papers containing export-controlled DoD technical data; establishes procedures for containing DoD advice on independently-produced scientific and technical papers; and provides criteria for identifying fundamental research activities performed under contract or grant that are excluded from review requirements.

§249.2 Applicability and scope.

This part applies to the Office of the Secretary of Defense (OSD) DoD Field Activities, the Military Departments, the Organization of the Joint Chiefs of Staff (OJCS), the Defense Agencies, and the Unified and Specified Commands (hereafter referred to collectively as ''DoD Components'').

§249.3 Definitions.

Contracted fundamental research. Includes grants and contracts that are (a) funded by budget Category 6.1 (''Research''), whether performed by universities or industry or (b) funded by budget Category 6.2 (''Exploratory Development'') and performed on-campus at a university. The research shall not be considered fundamental in those rare and exceptional circumstances where the 6.2-funded effort presents a high likelihood of disclosing performance characterics of military systems or manufacturing technologies that are unique and critical to defense, and where agreement on restrictions have been recorded in the contract or grant.

DoD personnel. All civilian officers and employees, including special Government employees, of all DoD Components, and all active duty officers (commissioned and warrant) and enlisted members of the Army, Navy, Air Force, and Marine Corps.

§249.4 Policy.

It is DoD policy to:

(a) Encourage the presentation of scientific and technical information generated by or for the Department of Defense at technical meetings consistent with United States laws and the requirements of national security.

(b) Permit DoD Components to conduct scientific and technical conferences, and to permit DoD Component personnel to attend and participate in scientific and technical conferences that are of demonstrable value to the Department of Defense, and consult with professional societies and associations in organizing meetings of the societies and associations that are mutually beneficial.

(c) Allow the publication and public presentation of unclassified contracted fundamental research results. The mechanism for control of information generated by DoD-funded contracted fundamental research in science, technology, and engineering performed under contract or grant at colleges, universities, and non-government laboratories is security classification. No other type of control is authorized unless required by law.

(d) Release information at meetings in a manner consistent with statutory and regulatory requirements for protecting the information. Such requirements include, but are not limited to, protection of classified, unclassified export-controlled, proprietary, privacy,

[1] Copies may be obtained, if needed, from the U.S. Naval Publications and Forms Center, 5801 Tabor Avenue, Attn: Code 301, Philadelphia PA 19120.

and foreign government provided information.

(e) Provide timely review of DoD employee and contractor papers intended for presentation at scientific and technical conferences and meetings, and if warranted and authorized by contract in the case of contractor employees, prescribe limitations on these presentations. Dissemination restrictions shall be used only when appropriate authority exists.

(f) Assist DoD contractors and, when practical, others in determining the sensitivity of or the applicability of export controls to technical data proposed for public disclosure.

(g) Approve release of classified or controlled unclassified DoD information to foreign representatives when such release promotes mutual security or advances the interests of an international military agreement or understanding in accordance with foreign disclosure policies of the Department of Defense. Presentation of such information at technical meetings attended by foreign representatives is appropriate when the release is made under the terms of existing security arrangements and when the Department of Defense and receiving government have established an understanding or agreement in that specific scientific or technical area.

(h) Refrain from interfering with the planning and organizing of meetings sponsored and conducted by non-government organizations. The type and level of DoD participation in such meetings will be determined taking account of such factors as benefit to the Department of Defense and how the meetings are being conducted.

§ 249.5 Procedures.

(a) *General.* Conferences organized by DoD Components, DoD contractors, scientific and engineering societies, and/or professional associations, among others, can enhance the value of research and development sponsored by the Federal Government, and in such cases require full cooperation of all involved parties to obtain maximum benefits. Every effort should be made to develop presentations that are appropriate for delivery to the widest appropriate audience consistent with the interests of national security. In general, national security concerns related to the disclosure of DoD scientific and technical information at meetings are influenced by two mutually dependent factors; i.e. the sensitivity of the material to be presented, and the identity of proposed recipients of the material. These considerations and their impact on proposed meetings can be evaluated only through consultation among authors, conference organizers, and officials responsible for authorizing release of DoD information. The purpose of this consultation is to ascertain which combination of factors will support the most productive exchange of information consistent with U.S. laws and the requirements of national security. Interaction among concerned parties should commence at least six months before the meeting date.

(b) *Information to be presented.* Possibilities range from completely unclassified/unlimited through classified information. Other considerations having an impact on meeting organization include, but are not limited to, proprietary data, export-controlled data, Privacy Act information, and foreign government-provided data.

(1) Classified information may be presented only at meetings organized in accordance with DoD Directive 5200.12.[2]

(2) Unclassified export-controlled DoD technical data may be presented only in sessions where recipients are eligible to receive such data as established by 32 CFR part 250.

(3) Presentation of proprietary information, privacy data, and foreign government-provided data requires approval of the party controlling that information.

(c) *Location of meetings and access controls.* To a large degree location of and access to meetings are dependent on the type of material to be presented.

(1) Papers which have been cleared for public release may be presented at any location and before any audience.

(2) Criteria established by 32 CFR part 250 for releasing unclassified documents containing unclassified export-controlled DoD technical data also are applicable to presentations containing

[2] See footnote 1 to § 249.1.

such data. Unclassified export-controlled DoD technical data may be released to:

(i) United States and Canadian government officials, with the understanding that the information is to be used for official government purposes only. Technical data that falls outside the exemptions for export to Canada in United States export regulations may not be transferred under this and the following provision.

(ii) United States and Canadian citizens and resident aliens when disclosure is subject to the terms of a current (DD Form 2345) ''Militarily Critical Technical Data Agreement.''

(iii) Foreign nationals and United States citizens acting as representatives of foreign interests where disclosure is made in accordance with a license, approval, or exemption under the International Traffic in Arms Regulations or the Export Administration Regulations.

(3) Non-government organizations who organize meetings in the United States at which unclassified export-controlled DoD technical data is to be presented will be required to ensure that physical access to the presentations is limited to those eligible to receive such data (as described in paragraph (c)(2) of this section) before being permitted to present such data.

(4) Meetings sponsored by a United States Government agency at which unclassified export-controlled DoD technical data is to be presented may be held in any location in the United States when control of physical access to the sessions is provided by a United States Government employee or a contractor specifically tasked by Department of Defense for that duty.

(5) Presentation of unclassified export-controlled DoD technical data in meetings held outside the United States may be permitted on a case-by-case basis after review of the situation by officials authorized to do so by the Director of Defense Research and Engineering, Office of the Under Secretary of Defense (Acquisition) or heads of DoD Components.

(6) When it is necessary to limit access to presentations of DoD-related scientific and technical papers, and private or professional organizations are unwilling or unable to provide required controls, DoD Components may, at their discretion, conduct meetings which correlate in place and topic with open meetings of such societies to take advantage of the fact that interested parties are already gathered.

(7) Classified information may be presented only at meetings held in a secure government or cleared contractor facility, unless a waiver has been granted in accordance with DoD Directive 5200.12. Personnel access controls for classified meetings also are specified in DoD Directive 5200.12.

(d) *Foreign representative access to meetings.* (1) For classified meetings sponsored by the Department of Defense and conducted at a contractor facility, guidelines for foreign participation are established in DoD Directive 5230.11[3] and DoD Instruction 5230.20.[4] Guidelines for the reporting of foreign participation in classified meetings are contained in DoD Directive 5200.12.

(2) For unclassified meetings sponsored and conducted by organizations other than the Department of Defense, the sole responsibility of determining whether foreign access is appropriate rests with the sponsor. The level and type of DoD participation in the meeting shall take into account the presence of foreign representatives, if any.

(3) In order to advance the interests of an international military agreement or understanding, the Department of Defense may wish to release to certain foreign nationals unclassified export-controlled DoD technical data being presented at unclassified, restricted access meetings sponsored and conducted by non-government societies and associations. Release in such cases by Department of Defense shall be pursuant to appropriate exemptions to the International Traffic in Arms Regulations (22 CFR part 126), which relieves the society or association from responsibility to obtain export approvals for these presentations. DoD sponsorship is for the sole purpose of granting access to DoD-sponsored technical information. When societies or associations agree to DoD sponsorship of foreign attendance

[3] See footnote 1 to § 249.1.

[4] See footnote 1 to § 249.1.

under these circumstances, the visit request procedures established in DoD Instruction 5230.20 shall be used to obtain and process requests from foreign representatives for sponsorship, and to inform the requestor and the meeting sponsor of the decision to release the information and conditions pertaining to such release.

(e) *Clearance for public release.* A review is required by DoD Directive 5230.9[5] for all public releases by DoD personnel, including all presentations from DoD laboratories. DoD contractors are required to submit proposed presentations for review if that is a specific contractual requirement. Papers resulting from unclassified contracted fundamental research are exempt from prepublication controls and this review requirement.

(1) Proposed presentations shall be reviewed to:

(i) Determine what information, if any, in the submitted paper and/or abstract is subject to security classification, is subject to withholding from public disclosure under 32 CFR part 250 or is otherwise restricted by statute, regulation or DoD policy.

(ii) Recommend specific changes, if any, to allow the paper to be presented as requested.

(iii) Indicate on the document its releasibility in original and amended versions.

(iv) Provide information on appeal procedures to be followed if requested clearance is denied.

(2) Reviews shall be completed as speedily as possible after receipt of the document by an appropriate public clearance authority. If a review cannot be completed in a timely manner, an explanation shall be provided. Every effort shall be made to complete the review in:

(i) Ten working days for all abstracts.

(ii) Twenty working days for papers submitted for presentation at sessions that will have unlimited access.

(iii) Thirty working days for papers submitted for presentation at unclassified sessions that will have limited access.

(iv) Thirty working days for papers submitted for presentation at sessions that will be classified.

(f) *Voluntary submissions.* Authors or organizations not subject to mandatory reviews may submit their papers to DoD activities to obtain advice on national security concerns. Resources permitting, DoD public release activities shall arrange review of the papers and

(1) Inform the author that the Department of Defense has no objection to public presentation or

(2) Inform the author that the Department of Defense advises that presentation in a public forum would not be in the interest of national security, and provide appropriate reasons for the determination. The clearance for public presentation, paragraph (f)(1) of this section, satisfies an exemption from requirements for government review under the International Traffic in Arms Regulations. The latter determination, paragraph (f)(2) of this section, does not legally bar presentation. It is an advisory statement that, for the presentation concerned, Department of Defense is not providing the authority for public release. Such DoD action does not preclude recourse by the author through normal State Department export license procedures.

(g) *Submission procedures.* (1) Authors shall submit full text and/or abstract of paper for review before submitting it to conference organizers. Clearance of abstract does not satisfy any requirement for clearance of the full paper. Requests for review shall identify the conference sponsor(s), site, and access restrictions specified by the session organizers, and shall state whether the paper is for presentation at a session that is to be unclassified with unlimited access, unclassified with limited access, or classified. Level of classification and access restrictions shall be specified, where appropriate.

(2) Papers shall be submitted for public and/or foreign disclosure clearance in sufficient time to allow adequate review and possible revision. Authors should allow adequate time for their presentation to reach the appropriate review authority in addition to the review targets set in paragraph (e)(2) of this section.

[5] See footnote 1 to § 249.1.

(3) At time of submission of the full text of the presentation to the Conference Program Committee, authors should state that their papers have been approved for presentation at the meeting and specify the security level of degree of access control required. When submitting abstracts that have been cleared for release, authors should indicate when and what kind of approval is expected on the presentation in its final form.

(h) In accordance with DoD Directive 3200.12, copies of proceedings and/or reprints of papers sponsored by the Department of Defense for all scientific and technical meetings will be provided to the Defense Technical Information Center, Defense Logistics Agency, Cameron Station, Alexandria, VA 22304 for secondary distribution.

§249.6 Responsibilities.

(a) The *Under Secretary of Defense for Acquisition* (USD(A)) shall be responsible for implementing this part.

(b) The *Deputy Under Secretary of Defense for Research and Advanced Technology* shall:

(1) Administer and monitor compliance with this part.

(2) Provide, when necessary, technical assistance to DoD Components in determining sufficiency of protection of unclassified technical information that is to be presented at meetings.

(3) Provide, upon request, information and advice regarding controls on unclassified DoD information to scientific and engineering societies and professional associations.

(c) The *Under Secretary of Defense for Policy* (USD(P)) shall develop and promulgate, as required, policy guidance to DoD Components for implementing this instruction.

(d) The *Deputy Under Secretary for Defense (Policy)* (DUSD(P)) shall establish and monitor compliance with policies and procedures for disclosure of classified information at meetings.

(e) The *Heads of DoD Components* shall:

(1) Promulgate this part within 180 days.

(2) Designate an individual who will be responsible for reviewing and approving requests for export-controlled meetings outside the United States, and for ensuring compliance with this part.

PART 250—WITHHOLDING OF UNCLASSIFIED TECHNICAL DATA FROM PUBLIC DISCLOSURE

Sec.

250.1 Purpose.
250.2 Applicability and scope.
250.3 Definitions.
250.4 Policy.
250.5 Procedures.
250.6 Responsibilities.
250.7 Pertinent portions of Export Administration Regulations (EAR).
250.8 Pertinent portions of International Traffic in Arms Regulations (ITAR).
250.9 Notice to accompany the dissemination of export-controlled technical data.

AUTHORITY: Sec. 1217, Pub. L. 98–94, (10 U.S.C. 140c).

SOURCE: 49 FR 48041, Dec. 10, 1984, unless otherwise noted.

§250.1 Purpose.

This part establishes policy, prescribes procedures, and assigns responsibilities for the dissemination and withholding of technical data.

§250.2 Applicability and scope.

(a) This part applies to:

(1) All unclassified technical data with military or space application in the possession of, or under the control of, a DoD Component which may not be exported lawfully without an approval, authorization, or license under E.O. 12470 or the Arms Export Control Act. However, the application of this part is limited only to such technical data that disclose critical technology with military or space application. The release of other technical data shall be accomplished in accordance with DoD Instruction 5200.21 and DoD 5400.7–R.

(2) The Office of the Secretary of Defense (OSD) and activities support adminstratively by OSD, the Military Departments, the Organization of the Joint Chiefs of Staff, the Defense Agencies, and the Unified and Specified Commands (hereafter referred to collectively as ''DoD Components'').

(b) This part does not:

(1) Modify or supplant the regulations promulgated under E.O. 12470 or the Arms Export Control Act governing the export of technical data, that

is, 15 CFR part 379 of the Export Administration Regulations (EAR) and 22 CFR part 125 of the International Traffic in Arms Regulations (ITAR).

(2) Introduce any additional controls on the dissemination of technical data by private enterprises or individuals beyond those specified by export control laws and regulations or in contracts or other mutual agreements, including certifications made pursuant to § 250.3(a). Accordingly, the mere fact that the Department of Defense may possess such data does not in itself provide a basis for control of such data pursuant to this part.

(3) Introduce any controls on the dissemination of scientific, educational, or other data that qualify for General License GTDA under 15 CFR 379.3 of the EAR (see § 250.7) or for general exemptions under 22 CFR 125.11 of the ITAR (see § 250.8).

(4) Alter the responsibilities of DoD Components to protect proprietary data of a private party in which the Department of Defense has ''limited rights'' or ''restricted rights'' (as defined in 32 CFR 9–201(c) and 9–601(j) of the DoD Acquisition Regulation, or which are authorized to be withheld from public disclosure under 5 U.S.C. 552(b)(4).

(5) Pertain to, or affect, the release of technical data by DoD Components to foreign governments, international organizations, or their respective representatives or contractors, pursuant to official agreements or formal arrangements with the U.S. Government, or pursuant to U.S. Government-licensed transactions involving such entities or individuals. In the absence of such U.S. Government-sanctioned relationships, however, this part does apply.

(6) Apply to classified technical data. After declassification, however, dissemination of such data that are within the scope of § 250.2(a)(1) is governed by this part.

§ 250.3 Definitions.

(a) *Qualified U.S. contractor.*[1] A private individual or enterprise (hereinafter described as a ''U.S. contractor'') that, in accordance with procedures established by the Under Secretary of Defense for Research and Engineering, certifies, as a condition of obtaining export-controlled technical data subject to this Directive from the Department of Defense, that:

(1) The individual who will act as recipient of the export-controlled technical data on behalf of the U.S. contractor is a U.S. citizen or a person admitted lawfully into the United States for permanent residence and is located in the United States.

(2) Such data are needed to bid or perform on a contract with the Department of Defense, or other U.S. Government agency, or for other legitimate business purposes[2] in which the U.S. contractor is engaged, or plans to engage. The purpose for which the data are needed shall be described sufficiently in such certification to permit an evaluation of whether subsequent requests for data, pursuant to § 250.5(d)(2) are related properly to such business purpose.

(3) The U.S. contractor acknowledges its responsibilities under U.S. export control laws and regulations (including the obligation, under certain circumstances, to obtain an export license prior to the release of technical data within the United States) and agrees that it will not disseminate any export-controlled technical data subject to this part in a manner that would violate applicable export control laws and regulations.

(4) The U.S. contractor also agrees that, unless dissemination is permitted by § 250.5(h), it will not provide access to export-controlled technical data subject to this part to persons other than its employees or persons acting on its behalf, without the permission of the DoD Component that provided the technical data.

(5) To the best of its knowledge and belief, the U.S. contractor knows of no person employed by it, or acting on its behalf, who will have access to such

[1] Canadian contractors may be qualified in accordance with this part for technical data that do not require a license for export to Canada under 22 CFR 125.12 of the ITAR and 15 CFR 379.4(d) and 379.5(e) of the EAR submitting an equivalent certification to the U.S. Department of Defense.

[2] This does not require a contract with or a grant from the U.S. Government.

data, who is debarred, suspended, or otherwise ineligible from performing on U.S. Government contracts; or has violated U.S. export control laws or a certification previously made to the Department of Defense under the provisions of this part.

(6) The U.S. contractor itself is not debarred, suspended, or otherwise determined ineligible by any agency of the U.S. Government to perform on U.S. Government contracts, has not been convicted of export control law violations, and has not been disqualified under the provisions of this part. When the certifications required by paragraphs (a) (5) and (6) of this section, cannot be made truthfully, the U.S. contractor may request the certification be accepted based on its description of extenuating circumstances.

(b) *Controlling DoD Office.* The DoD activity that sponsored the work that generated the technical data or received the technical data on behalf of the Department of Defense and therefore has the responsibility for determining the distribution of a document containing such technical data. In the case of joint sponsorship, the controlling office is determined by advance agreement and may be either a party, a group, or a committee representing the interested activities or DoD Components. (The controlling DoD office is identified on each export-controlled document in accordance with DoD Directive 5230.24.

(c) *Critical Technology.* Technologies that consist of (1) arrays of design and manufacturing know-how (including technical data); (2) keystone manufacturing, inspection, and test equipment; (3) keystone materials; and (4) goods accompanied by sophisticated operation, application, or maintenance know-how that would make a significant contribution to the military potential of any country or combination of countries and that may prove detrimental to the security of the United States (also referred to as militarily critical technology).

(d) *Other legitimate business purposes.* Include:

(1) Providing or seeking to provide equipment or technology to a foreign government with the approval of the U.S. Government (for example, through a licensed direct foreign military sale).

(2) Bidding, or preparing to bid, on a sale of surplus property.

(3) Selling or producing products for the commercial domestic marketplace or for the commercial foreign marketplace, providing that any required export license is obtained.

(4) Engaging in scientific research in a professional capacity.

(5) Acting as a subcontractor to a concern described in paragraphs (d) (1) through (4) of this section; or

(6) Selling technical data subject to this part in support of DoD contractors or in supporting of the competitive process for DoD contracts, provided such sales are limited solely to DoD contractors or potential DoD contractors who also are qualified U.S. contractors and provided such technical data are related to the purpose for which the qualified U.S. contractor is certified, or selling technical data to foreign contractors or governments overseas after receiving the required export license or approval by the U.S. Government.

(e) *Potential DoD contractor.* An individual or organization outside the Department of Defense declared eligible for DoD information services by a sponsoring DoD activity on the basis of participation in one of the following programs:

(1) The Department of the Army Qualitative Requirements Information Program.

(2) The Department of the Navy Industry Cooperative Research and Development Program.

(3) The Department of the Air Force Potential Contractor Program.

(4) The DoD Scientific and Technical Program; or

(5) Any similar program in use by other DoD Components.

(f) *Public disclosure.* Making technical data available without restricting its dissemination or use.

(g) *Technical data with military or space application, or technical data.* Any blueprints, drawings, plans, instructions, computer software and documentation, or other technical information that can be used or be adapted for use to design, engineer, produce, manufacture, operate, repair, overhaul, or

reproduce any military or space equipment or technology concerning such equipment.

(h) *United States.* For the purpose of this part, the 50 States, the District of Columbia, and the territories and possessions of the United States.

§ 250.4 Policy.

(a) In accordance with 10 U.S.C. 140c, the Secretary of Defense may withhold from public disclosure, notwithstanding any other provision of law, any technical data with military or space application in the possession of, or under the control of, the Department of Defense, if such data may not be exported lawfully without an approval, authorization, or license under E.O. 12470 or the Arms Export Control Act. However, technical data may not be withheld under this section if regulations promulgated under either the Order or Act authorize the export of such data pursuant to a general, unrestricted license or exemption in such regulations. (Pertinent portions of such regulations are set forth in §§ 250.7 and 250.8).

(b) Because public disclosure of technical data subject to this part is tantamount to providing uncontrolled foreign access, withholding such data from public disclosure, unless approved, authorized, or licensed in accordance with export control laws, is necessary and in the national interest. Unclassified technical data that are not governed by this part, unless otherwise restricted, shall continue to be made available to the public as well as to state and local governments.

(c) Nothwithstanding the authority provided in paragraph (a), of this section, it is DoD policy to provide technical data governed by this part to individuals and enterprises that are determined to be currently qualified U.S. contractors, when such data relate to a legitimate business purpose for which the contractor is certified. However, when such data are for a purpose other than to permit the requester to bid or perform on a contract with the Department of Defense, or other U.S. Government agency, and the significance of such data for military purposes is such that release for purposes other than direct support of DoD activities may jeopardize an important U.S. technological or operational advantage, those data shall be withheld in such cases.

(d) This part may not be used by DoD Components as authority to deny access to technical data to the Congress, or to any Federal, State, or local governmental agency that requires such data for regulatory or other official governmental purposes. Any such dissemination will include a statement that the technical data are controlled by the Department of Defense in accordance with this part.

(e) The authority provided herein may not be used to withhold from public disclosure unclassified information regarding DoD operations, policies, activities, or programs, including the costs and evaluations of performance and reliability of military and space equipment. When such information does contain technical data subject to this part, the technical data shall be excised from that which is disclosed publicly.

(f) This part may not be used as a basis for the release of ''limited rights'' or ''restricted rights'' data as defined in 32 CFR 9–201(c) and 9–601(j) of the DoD Acquisition Regulation or that are authorized to be withheld from public disclosure under the Freedom of Information Act (FOIA).

(g) This part may not be used to provide protection for technical data that should be classified in accordance with E.O. 12356 and DoD 5200.1–R.

(h) This part provides immediate authority to cite 5 U.S.C. 552(b)(3) as the basis for denials under the FOIA of technical data currently determined to be subject to the provisions of this part.

§ 250.5 Procedures.

All determinations to disseminate or withhold technical data subject to this part shall be consistent both with the policies set forth in § 250.4 of this part, and with the following procedures:

(a) Requests for technical data shall be processed in accordance with DoD Directive 5230.24 and DoD Instruction 5200.21. FOIA requests for technical data subject to this part shall be handled in accordance with the procedures established in DoD 5400.7–R. Such FOIA requests for technical data currently

determined to be subject to the withholding authority effected by this part shall be denied under citing the third exemption to mandatory disclosure, and the requester shall be referred to the provisions of this part permitting access by qualified U.S. contractors.

(b) Upon receipt of a request for technical data in the possession of, or under the control of, the Department of Defense, the controlling DoD office shall determine whether such data are governed by this part. The determination shall be based on the following:

(1) The office's finding[3] that such data would require an approval, authorization, or license for export under E.O. 12470 or the Arms Export Control Act and that such data may not be exported pursuant to a general, unrestricted license (15 CFR 379.3, EAR) (see § 250.7) or exemption (22 CFR 125.11, ITAR) (see § 250.8).

(2) The office's judgment that the technical data under consideration disclose critical technology with military or space application. For purposes of making this determination, the Militarily Critical Technologies List (MCTL) shall be used as general guidance. The controlling DoD office may request assistance in making such a determination from the Office of the Under Secretary of Defense for Research and Engineering (OUSDR&E) in accordance with procedures established by that office.

(c) The controlling DoD office shall ensure that technical data determined to be governed by this part are marked in accordance with DoD Directive 5230.24.

(d) The controlling DoD office shall authorize release of technical data governed by this part to currently qualified U.S. contractors only, as defined in § 250.3(a) of this part, unless one of the following apply:

(1) The qualification of the U.S. contractor concerned has been temporarily revoked in accordance with § 250.5(e) of this part; or

(2) The requested data are judged to be unrelated to the purpose for which the qualified U.S. contractor is certified. When release of technical data is denied in accordance with this section, the controlling DoD office shall request additional information sufficient to explain the intended use of the requested data and, if appropriate, request a new certification (see § 250.3(a) above) describing the intended use of the requested data; or

(3) The technical data are being requested for a purpose other than to permit the requester to bid or perform on a contract with the Department of Defense or other U.S. Government agency, in which case the controlling DoD office shall withhold such data if it has been determined by the DoD Component focal point (see § 250.5(e)(5)) that the significance of such data for military purposes is such that release for purpose other than direct support of DoD-approved activities may jeopardize an important technological or operational military advantage of the United States.

(e) Upon receipt of credible and sufficient information that a qualified U.S. contractor has (1) violated U.S. export control law, (2) violated its certification, (3) made a certification in bad faith, or (4) made an omission or misstatement of material fact, the DoD Component shall revoke temporarily the U.S. contractor's qualification. Such revocations having the potential for compromising a U.S. Government investigation may be delayed. Immediately upon such revocation, the DoD Component shall notify the contractor and the OUSDR&E. Such contractor shall be given an opportunity to respond in writing to the information upon which the temporary revocation is based before being disqualified. Any U.S. contractor whose qualification has been revoked temporarily may be reinstated upon presentation of sufficient information showing that the basis for such revocation was in error or has been remedied.

(f) When the basis for a contractor's temporary revocation cannot be removed within 20 working days, the DoD Component shall recommend to the OUSDR&E that the contractor be disqualified.

(g) Charges for copying, certifying, and searching records rendered to requesters shall be levied in accordance

[3] May require consultation with the Department of State or the Department of Commerce, as appropriate.

with DoD Instruction 7230.7. Normally, only one copy of the same record or document will be provided to each requester. Any release to qualified U.S. contractors of technical data controlled by this part shall be accompanied by a notice to the recipient as set forth in § 250.9.

(h) Qualified U.S. contractors who receive technical data governed by this part may disseminate such data for purposes consistent with their certification without prior permission of the controlling DoD office or when such dissemination is:

(1) To any foreign recipient for which the data are approved, authorized, or licensed under E.O. 12470 or the Arms Export Control Act.

(2) To another currently qualified U.S. contractor (as defined in § 250.3(a) above, including existing or potential subcontractors, but only within the scope of the certified legitimate business purpose of such recipient.

(3) To the Departments of State and Commerce, for purposes of applying for appropriate approvals, authorizations, or licenses for export under the Arms Export Control Act or E.O. 12470. Any such application shall include a statement that the technical data for which such approval, authorization, or license is sought are controlled by the Department of Defense in accordance with this part.

(4) To Congress or any Federal, State, or local governmental agency for regulatory purposes, or otherwise as may be required by law or court order. Any such dissemination shall include a statement that the technical data are controlled by the Department of Defense in accordance with this part.

(i) A qualified U.S. contractor desiring to disseminate technical data subject to this part in a manner not permitted expressly by the terms of this part shall seek authority to do so from the controlling DoD office.

(j) Any requester denied technical data, or any qualified U.S. contractor denied permission to redisseminate such data, pursuant to this part, shall be provided promptly a written statement of reasons for that action, and advised of the right to make a written appeal of such determination to a specifically identified appellate authority within the DoD Component. Appeals of denials made under DoD 5400.7–R (reference (e)) shall be handled in accordance with procedures established therein. Other appeals shall be processed as directed by the OUSDR&E.

(k) Denials shall cite 10 U.S.C. 140c as implemented by this part, and, in the case of FOIA denials made in reliance on this statutory authority, 5 U.S.C. 552(b)(3). Implementing procedures shall provide for resolution of any appeal within 20 working days.

§ 250.6 Responsibilities.

(a) The Under Secretary of Defense for Research and Engineering (USDR&E) shall have overall responsibility for the implementation of this Directive and shall designate an office to:

(1) Administer and monitor compliance with this Directive.

(2) Receive and disseminate notifications of temporary revocation in accordance with § 250.5(e) of this part.

(3) Receive recommendations for disqualification made in accordance with § 250.5(f) of this part, and act as initial disqualification authority.

(4) Provide, when necessary, technical assistance to DoD Components in assessing the significance of the military or space application of technical data that may be withheld from public disclosure under this Directive.

(5) Establish procedures to develop, collect, and disseminate certification statements and ensure their sufficiency, accuracy, and periodic renewal, and to make final determinations of qualification.

(6) Ensure that the requirements of this Directive are incorporated into the DoD Federal Acquisition Regulation Supplement for optional application to contracts involving technical data governed by this Directive.

(7) Develop, in conjunction with the General Counsel, Department of Defense, guidelines for responding to appeals.

(8) Develop procedures to ensure that DoD Components apply consistent criteria in authorizing exceptions under § 250.5(i) of this part.

(9) Establish procedures and appropriate mechanisms for the certification

of qualified U.S. contractors, pursuant to §250.6(a)(5) of this part, within 60 days of the effective date of this Directive. During this 60-day period, requests for technical data governed by this Directive shall be processed in accordance with procedures in effect before the promulgation of this Directive.

(10) Take such other actions that may be required to ensure consistent and appropriate implementation of this Directive within the Department of Defense.

(b) The Under Secretary of Defense for Policy shall:

(1) Develop and promulgate, as required, policy guidance to DoD Components for implementing this Directive.

(2) Develop procedures with the Departments of State and Commerce to ensure referral of export cases involving technical data governed by this Directive to the Department of Defense.

(c) The Assistant Secretary of Defense (Public Affairs) shall:

(1) Monitor the implementation of provisions of this Directive that pertain to DoD 5400.7–R.

(2) Provide such other assistance as may be necessary to ensure compliance with this Directive.

(d) The General Counsel, Department of Defense, shall:

(1) Assist in carrying out the provisions of this Directive by advising DoD Components with respect to the statutory and regulatory requirements governing the export of technical data.

(2) Advise the USDR&E regarding consistent and appropriate implementation of this Directive.

(e) The Heads of DoD Components shall:

(1) As the delegated authority, have the option to redelegate the authority to withhold technical data in accordance with this Directive.

(2) Disseminate and withhold from public disclosure technical data subject to this Directive in a manner consistent with the policies and procedures set forth herein.

(3) Designate a focal point to

(i) Ensure implementation of this Directive;

(ii) Identify classes of technical data the release of which is governed by §250.5(d)(3) of this part;

(iii) Act on appeals relating to case-by-case denials of technical data;

(iv) Suspend a contractor's qualification pursuant to §250.(e) of this part;

(v) Receive and evaluate requests for reinstatement of a contractor's qualification; and, when appropriate,

(vi) Recommend disqualification to the OUSDR&E.

(4) Promulgate and effect regulations to implement this Directive within 180 days.

(5) Disseminate technical data governed by this Directive in the manner prescribed herein, to the extent feasible, during the period after which certification procedures have been established under §250.6(a)(9) of this part, but before DoD Components have issued implementing regulations under paragraph (e)(4) of this section. However, if such dissemination is not feasible, the DoD Component may process requests for such data in accordance with procedures in effect before the promulgation of this Directive.

§250.7 Pertinent portions of Export Administration Regulations (EAR).

The following pertinent section of the EAR is provided for the guidance of DoD personnel in determining the releasability technical data under the authority of this part.

EXPORT ADMINISTRATION REGULATIONS 15 CFR 379.3

General License GTDA: Technical Data Available to All Destinations

A General License designated GTDA is hereby established authorizing the export to all destinations of technical data described in §379.3(a), (b), or (c), below:

(a) *Data Generally Available.*

Data that have been made generally available to the public in any form, including

(1) Data released orally or visually at open conferences, lectures, trade show, or other media open to the public; and

(2) Publications that may be purchased without restrictions at a nominal cost, or obtained without costs, or are readily available at libraries open to the public.

The term "nominal cost" as used in §379.3(a)(2), is intended to reflect realistically only the cost of preparing and distributing the publication and not the intrinsic value of the technical data. If the cost is as much as to prevent the technical data from being generally available to the public, General License GTDA would not be applicable.

(b) *Scientific or Educational Data.*

(1) Dissemination of information not directly and significantly related to design, production, or utilization in industrial processes, including such dissemination by correspondence, attendance at, or participation in, meetings; or

(2) Instruction in academic institutions and academic laboratories, excluding information that involves research under contract related directly and significantly to design, production, or utilization in industrial processes.

(c) *Patent Applications.*

Data contained in a patent application, prepared wholly from foreign-origin technical data where such application is being sent to the foreign inventor to be executed and returned to the United States for subsequent filing in the U.S. Patent and Trademark Office. (No validated export license from the Office of Export Administration is required for data contained in a patent application, or an amendment, modification, supplement, or division thereof for filing in a foreign country in accordance with the regulations of the Patent and Trademark Office 37 CFR part 5. See § 370.10(j).)

§ 250.8 Pertinent portions of International Traffic in Arms Regulations (ITAR).

The following pertinent section of the ITAR is provided for the guidance of DoD personnel in determining the releasibility of technical data under the authority of this part.

INTERNATIONAL TRAFFIC IN ARMS REGULATIONS 22 CFR 125.11

General Exemptions

(a) Except as provided in § 26.01, district directors of customs and postal authorities are authorized to permit the export without a license of unclassified technical data as follows:

(1) If it is in published[4] form and subject to public dissemination by being:

(i) Sold at newsstands and bookstores;

(ii) Available by subscription or purchase without restrictions to any person or available without cost to any person;

(iii) Granted second class mailing privileges by the U.S. Government; or

(iv) Freely available at public libraries.

(2) If it has been approved for public release by any U.S. Government department or agency having authority to classify information or material under Executive Order [12356], as amended, and other applicable Executive Orders, and does not disclose the details of design, production, or manufacturing of any arms, ammunition, or implements of war on the U.S. Munitions List.

(3) If the export is in furtherance of a manufacturing license or technical assistance agreement approved by the Department of State in accordance with part 124 of this chapter.

(4) If the export is in furtherance of a contract with an agency of the U.S. Government or a contract between an agency of the U.S. Govenment and foreign persons, provided the contract calls for the export of relevant unclassified technical data, and such data are being exported only by the prime contractor. Such data shall not disclose the details of development, engineering, design, production, or manufacture of any arms, ammunition, or implements of war on the U.S. Munitions List. (This exemption does not permit the prime contractor to enter into subsidiary technical assistance or manufacturing license agreements, or any arrangement which calls for the exportation of technical data without compliance with part 124 of this subchapter.)

(5) If it relates to firearms not in excess of caliber .50 and ammunition for such weapons, except technical data containing advanced designs, processes, and munufacturing techniques.

(6) If it consists of technical data, other than design, development, or production information relating to equipment, the export of which has been previously authorized to the same recipient.

(7) If it consists of operations, maintenance and training manuals, and aids relating to equipment, the export of which has been authorized to the same recipient.[5]

(8) If it consists of additional copies of technical data previously approved for export to the same recipient; or if it consists of revised copies of technical data, provided it pertains to the identical Munitions List article, and the revisions are solely editorial and do not add to the content of technology previously approved for export to the same recipient.

(9) If it consists solely of technical data being reexported to the original source of import.

(10) If the export is by the prime contractor in direct support and within the technical and/or product limitations of a ''U.S. Government approved project'' and the prime contractor so certifies. The Office of Munitions Control, Department of State, will verify, upon request, those projects

[4] The burden for obtaining appropriate U.S. Government approval for the publication of technical data falling within the definition in § 125.01, including such data as may be developed under other than U.S. Government contract, is on the person or company seeking publication.

[5] Not applicable to technical data relating to Category VI(d) and Category XVI.

which are ''U.S. Government approved,'' and accord an exemption to the applicant who applies for such verification and exemption, where appropriate, under this subparagraph.[6]

(11) If the export is solely for the use of American citizen employees of U.S. firms provided the U.S. firm certifies its overseas employee is a U.S. citizen and has a ''need to know.''[7]

(12) If the export is directly related to classified information, the export of which has been previously authorized to the same recipient, and does not disclose the details of design, production, or manufacture of any arms, ammunition, or implements of war on the U.S. Munitions List.

(b) *Plant visits.* Except as restricted by the provisions of §126.01 of this subchapter:

(1) No license shall be required for the oral and visual disclosure of unclassified technical data during the course of a plant visit by foreign nationals provided the data [are] disclosed in connection with a classified plant visit or the visit has the approval of a U.S. Government agency having authority for the classification of information or material under Executive Order [12356], as amended, and other applicable Executive Orders, and the requirements of section V, paragraph [41(d)] of the Industrial Security Manual are met.

(2) No license shall be required for the documentary disclosure of unclassified technical data during the course of a plant visit by foreign nationals provided the document does not contain technical data as defined in §125.01 in excess of that released orally or visually during the visit, is within the terms of the approved visit request, and the person in the United States assures that the technical data will not be used, adopted for use, or disclosed to others for the purpose of manufacture or production without the prior approval of the Department of State in accordance with part 124 of this subchapter.

(3) No Department of State approval is required for the disclosure of oral and visual classified information during the course of a plant visit by foreign nationals provided the visit has been approved by the cognizant U.S. Defense agency and the requirements of section V, paragraph [41(d)] of the Defense Industrial Security Manual are met.

§250.9 Notice to accompany the dissemination of export-controlled technical data.

(a) Export of information contained herein, which includes, in some circumstances, release to foreign nationals within the United States, without first obtaining approval or license from the Department of State for items controlled by the International Traffic in Arms Regulations (ITAR), or the Department of Commerce for items controlled by the Export Administration Regulations (EAR), may constitute a violation of law.

(b) Under 22 U.S.C. 2778 the penalty for unlawful export of items or information controlled under the ITAR is up to 2 years imprisonment, or a fine of $100,000, or both. Under 50 U.S.C., appendix 2410, the penalty for unlawful export of items or information controlled under the EAR is a fine of up to $1,000,000, or five times the value of the exports, whichever is greater; or for an individual, imprisonment of up to 10 years, or a fine of up to $250,000, or both.

(c) In accordance with your certification that establishes you as a ''qualified U.S. contractor,'' unauthorized dissemination of this information is prohibited and may result in disqualification as a qualified U.S. contractor, and may be considered in determining your eligibility for future contracts with the Department of Defense.

(d) The U.S. Government assumes no liability for direct patent infringement, or contributory patent infringement or misuse of technical data.

(e) The U.S. Government does not warrant the adequacy, accuracy, currency, or completeness of the technical data.

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[6] Classified information may also be transmitted in direct support of and within the technical and/or product limitation of such verified U.S. Government approved projects without prior Department of State approval provided the U.S. party so certifies and complies with the requirements of the Department of Defense Industrial Security Manual relating to the transmission of such classified information (and any other rquirements of cognizant U.S. Government departments or agencies).

[7] Classified information may also be exported to such certified American citizen employees without prior Department of State approval provided the U.S. party complies with the requirements of the Department of Defense Industrial Security Manual relating to the transmission of such classified information (and any other requirements of cognizant U.S. Government departments or agencies). Such technical data or information (classified or unclassified) shall not be released by oral, visual, or documentary means to any foreign person.

(f) The U.S. Government assumes no liability for loss, damage, or injury resulting from manufacture or use for any purpose of any product, article, system, or material involving reliance upon any or all technical data furnished in response to the request for technical data.

(g) If the technical data furnished by the Government will be used for commercial manufacturing or other profit potential, a license for such use may be necessary. Any payments made in support of the request for data do not include or involve any license rights.

(h) A copy of this notice shall be provided with any partial or complete reproduction of these data that are provided to qualified U.S. contractors.

PART 252—DEPARTMENT OF DEFENSE OFFSHORE MILITARY ACTIVITIES PROGRAM

Sec.
252.1 Reissuance and purpose.
252.2 Applicability and scope.
252.3 Definitions.
252.4 Policy.
252.5 Responsibilities.

AUTHORITY: 5 U.S.C. 301.

SOURCE: 52 FR 39222, Oct. 21, 1987, unless otherwise noted.

§ 252.1 Reissuance and purpose.

This part reissues 32 CFR part 252 to update policies and procedures for the use of offshore areas by the Department of Defense. It shall serve as the basis for a comprehensive Offshore Military Activities Program.

§ 252.2 Applicability and scope.

This part:

(a) Applies to the Office of the Secretary of Defense (OSD), the Military Departments (including their National Guard and Reserve components), the Organization of the Joint Chiefs of Staff (OJCS), and the Defense Agencies (hereafter referred to collectively as ''DoD Components'').

(b) Concerns the use of offshore areas for military purposes. It does not limit the responsibilities of the Secretary of the Navy assigned under 33 U.S.C. 1101 *et seq.*

§ 252.3 Definitions.

Offshore areas. The submerged land areas defined in 43 U.S.C. 1301 *et seq.* and 43 U.S.C. 1331 *et seq.* and the adjacent waters affected by the use of those submerged lands.

Offshore Military Activities Program. The program established to implement DoD policies and procedures for those activities, operations, and installations that require an offshore environment and that may impact on offshore areas.

Outer Continental Shelf. All submerged lands lying seaward and outside of the area of lands beneath navigable waters as defined in section 2 of 43 U.S.C. 1301 *et seq.*, and of which the subsoil and seabed appertain to the United States and are subject to its jurisdiction and control.

State-owned Offshore Submerged Lands. Coastal portions of lands beneath navigable waters, as defined in section 2 of the Submerged Lands Act.

§ 252.4 Policy.

(a) lt is DoD policy to support the principle that lands composing the Outer Continental Shelf and state-owned offshore areas shall be used in the best interest of the United States. Therefore, it is DoD policy for the use of offshore areas to be shared with non-military interests whenever they can be accommodated.

(b) The Secretaries of Defense and the Interior have agreed on procedures for resolving conflicts over joint use of offshore areas for military and mineral exploration or developmental purposes. In carrying out negotiations with elements of the Department of the Interior (DoI), the Department of Defense shall be guided by this agreement when appropriate.

(c) If a coastal state determines that the mineral potential of off-shore areas being used or proposed to be used for military purposes must be explored or developed, DoD shall endeavor to accommodate joint military and commercial use of those areas. If compatible joint use is not economically or militarily feasible, DoD shall seek agreement with the coastal state to exclude conflict areas from its leasing program.

§252.5 Responsibilities.

(a) The *Assistant Secretary of Defense (Production and Logistics)* (ASD(P&L)) shall maintain a comprehensive program for the military use of the offshore environment and provide related direction and policy to DoD Components.

(b) The *Secretary of the Army* shall provide notices to the ASD(A&L), to affected military installations and activities, and to the Director of the Defense Mapping Agency Hydrographic/Topographic Center of potential obstructions and hazards to navigation as stated in the Rivers and Harbors Appropriation Act, of proposed permits for obstructions to be located on the Outer Continental Shelf under 43 U.S.C. 1331 *et seq.*, as amended, and of proposed permits for artificial reefs under the National Fishing Enhancement Act of 1984 to ensure compatibility with the Offshore Military Activities Program.

(c) The *Secretary of the Navy* shall:

(1) Act as DoD Executive Agent for outer continental shelf matters and carry out responsibilities assigned to the Executive Agent in the Agreement.

(2) Conduct continuing liaison with DoI, appropriate coastal states, and the ASD(P&L) to ensure compatibility between the DoD Offshore Military Activities Program and the related plans and programs of DoI and coastal states.

(3) lnform concerned DoD Components of new developments in the DOI's, states', and industry's mineral leasing plans that may affect present or potential military interests in offshore areas.

(4) Represent the Department of Defense on the Secretary of the Interior's Outer Continental Shelf Advisory Board.

(d) The *Secretary of the Air Force* shall, for those offshore areas under his control, conduct continuing liaison with the DoI and coastal states and enter into agreements necessary to ensure compatibility between military activities and relevant plans and programs of the DoI and coastal states.

(e) *Heads of DoD Components* shall:

(1) Review proposed DoI's and states' mineral leasing plans and inform the Executive Agent of proposed activities that could be incompatible with military missions. When joint use is feasible, the Heads shall recommend conditions and stipulations that should be imposed in leases to ensure the integrity of military missions and otherwise protect the interests of the United States against claims arising out of damage to property or personal injury.

(2) Establish and maintain lines of communication and coordination to ensure that the ASD(P&L) and the Executive Agent are fully aware of plans and programs involving offshore areas.

(3) Review notices referred to in §252.5(b) and notify the Army Chief of Engineers if proposed actions are incompatible with offshore military activities.

(4) Inform the Army Chief of Engineers and the Executive Agent of any significant change in the status of offshore ranges, restricted areas, or operating areas.

(5) Comply with the provisions of the Coastal Zone Management Act.

(6) Conduct other activities related to offshore areas as requested by the ASD(A&L).

PART 253—ASSIGNMENT OF AMERICAN NATIONAL RED CROSS AND UNITED SERVICE ORGANIZATIONS, INC., EMPLOYEES TO DUTY WITH THE MILITARY SERVICES

Sec.

253.1 Reissuance and purpose.
253.2 Applicability and scope.
253.3 Definition.
253.4 Policy.
253.5 Responsibilities.
253.6 Procedures.

AUTHORITY: Pub. L. 83–131, 5 U.S.C. 301.

SOURCE: 48 FR 35644, Aug. 5, 1983, unless otherwise noted.

§253.1 Reissuance and purpose.

This rule reissues this part to update policy and procedures governing the investigation of American National Red Cross (hereafter ''Red Cross'') employees and United Service Organizations, Inc. (USO), staff for the purpose of determining the security acceptability of such personnel for assignment to duty with the Military Services.

§ 253.2 Applicability and scope.

(a) This rule applies to the Office of the Secretary of Defense, the Military Departments, the Unified and Specified Commands, and the Defense Investigative Service (hereafter referred to as ''DoD Components''). The term ''Military Services,'' as used herein, refers to the Army, the Navy, the Air Force, and the Marine Corps.

(b) This rule does not apply to U.S. citizens or foreign nationals who are available locally at overseas locations for temporary or part-time employment with the Red Cross or the USO. Policy and procedures governing investigation and security acceptability of locally hired employees shall be determined by the Military Department concerned.

§ 253.3 Definition.

Employee. Any full-time, salaried individual serving with or employed by the Red Cross or the USO who is subject to assignment for overseas duty with the Military Services.

§ 253.4 Policy.

(a) It is the policy of the Department of Defense that an employee shall be accepted for assignment to duty with the Military Services overseas only after it first has been determined, based upon an appropriate personnel security investigation, that such acceptance for assignment is clearly consistent with the national interest.

(b) The standard and criteria for determining the security acceptability of an employee for assignment or continuation of assignment with the Military Services overseas shall be identical to those established for making security clearance determinations for personnel employed in private industry under §§ 155.4 and 155.5 of this title.

§ 253.5 Responsibilities.

(a) The *Deputy Under Secretary of Defense for Policy,* or designee, the *Director, Security Plans and Programs,* shall serve as the primary contact between the Department of Defense and the Red Cross and USO for all matters relating to the policy and procedures prescribed herein.

(b) *Heads of DoD Components* shall comply with the provisions of this rule.

§ 253.6 Procedures.

(a) Employees who are U.S. citizens shall have been the subject of a national agency check (NAC), completed with favorable results, before being nominated for assignment with the Military Services overseas.

(b) Employees who are not U.S. citizens shall have been the subject of a background investigation (BI), completed with favorable results, before being nominated for assignment with the Military Services overseas.

(c) An employee will not be assigned for duty with the Military Services overseas or continued in such an assignment when it has been determined that assignment or continuation of assignment is not clearly consistent with the national interest.

(d) Completed security forms (DD Form 398, Personnel Security Questionnaire (BI/SBI), or 398–2, Personnel Security Questionnaire (National Agency Check)) shall be forwarded to the Defense Industrial Security Clearance Office (DISCO), Defense Investigative Service, for initiation of the NAC or BI, as appropriate.

(e) Upon completion of the appropriate investigation, the results shall be returned to the DISCO where a determination shall be made concerning security acceptability of the employee. If the determination is favorable, the DISCO shall provide a statement to that effect to the Red Cross or the USO. If the DISCO is unable to make a favorable security acceptability determination, the procedures described in paragraph (f)(3), of this section, shall apply.

(f) Whenever any DoD Component or the Red Cross or the USO receives information indicating that an employee's assignment or continuation of assignment with the Military Services overseas may not clearly be consistent with the national interest, the information shall be furnished to the DISCO for appropriate review. In such cases, the following actions shall be taken:

(1) The DISCO shall arrange for the conduct of any investigation warranted to resolve the adverse or questionable information.

(2) In cases arising after the initial security acceptability determination has been made, the DISCO shall review the information or report of investigation to determine whether the security acceptability determination is to continue in effect. If such adjudication is favorable, no further action is required. The Red Cross or the USO will not be notified in such cases in order to preclude the possibility of any adverse inference being drawn.

(3) If, after reviewing the information or report of investigation, the DISCO is unable to make a favorable security acceptability determination, the case shall be referred for further processing in accordance with part 155 of this title.

PART 254—TEACHER AND TEACHER'S AIDE PLACEMENT ASSISTANCE PROGRAM

Sec.
254.1 Purpose.
254.2 Definitions.
254.3 Responsibilities.
254.4 Procedures.

AUTHORITY: 10 U.S.C. 1151, 1598, 2410C.

SOURCE: 59 FR 7213, Feb. 15, 1994, unless otherwise noted.

§254.1 Purpose.

It is Department of Defense policy to establish programs to assist personnel affected by the downsizing of the Department of Defense and to contribute to efforts to relieve shortages of elementary and secondary school teachers and teacher's aides.

§254.2 Definitions.

(a) *Alternative certification.* State or local teacher certification or licensure requirements that permit a demonstrated competence in appropriate subject areas gained in careers outside of education to be substituted for traditional teacher training course work.

(b) *Eligible defense contractors or subcontractors.* Those defense contractors or subcontractors that have applied and been selected using criteria established in ''National Defense Authorization Act for Fiscal Year 1993,'' Public Law 102–484, 106 stat. 2725 and meet the following criteria:

(1) Produce goods or services for the Department of Defense pursuant to a defense contract or operate nuclear weapons manufacturing facilities for the Department of Energy; and

(2) Have recently reduced operations, or are likely to reduce operations, due to the completion or termination of a defense contract or program or by reductions in defense spending.

(3) The Defense Activity for Non-Traditional Education Support (DANTES) shall give special consideration to defense contractors who are located in areas that have been impacted particularly hard by reductions in defense spending.

(c) *Eligible local educational agency.* A local school jurisdiction that normally hires teachers, is located in a state offering an alternative program for teacher certification, is receiving money under chapter 1 of title I, ''Elementary and Secondary Education Act of 1965'' (20 U.S.C. 2701 *et seq.*) as a result of having within its jurisdiction a concentration of children from low income families, has been identified by its state as experiencing a shortage of qualified teachers. Priority for grants under this program will be given to those local education agencies which receive concentration grant funds under chapter 1 of title I, or are eligible to receive such funding. The local school shall be willing to enter into an agreement with the Department of Defense to employ a certified program participant for not less than five consecutive years in a school within its jurisdiction having a concentration of children from low income families.

(d) *Eligible personnel.* Service members, civilian employees of the Department of Defense and the Department of Energy, and defense contractor employees who meet the specific requirements identified in paragraphs (d) (1) through (3) of this section. All persons selected shall have a baccalaureate or advanced degree (associate degree or higher for teacher's aide applicants) from an accredited institution of higher learning and, if selected, shall be willing to agree to obtain certification or licensure as an elementary or secondary school teacher or teacher's aide

and to accept an offer of full-time employment as an elementary or secondary school teacher or teacher's aid for not fewer than 5 school years in a school that serves a concentration of children from low-income families.

(1) *Eligible service members.* Members of the Armed Forces who during the 9-year period beginning on October 1, 1990, are discharged or released from active duty after 6 or more years of continuous active duty immediately before discharge or release, and are not discharged or released from service under other than honorable conditions. Application must be made within 1 year after discharge or release, except that Service members whose date of discharge or release is on or after October 1, 1990, but before January 19, 1994, shall apply by October 5, 1995. Service members who do not meet the degree requirements at the time of discharge shall be considered to be eligible upon satisfying degree requirements with 5 years after discharge from active duty. In such case, former Service members must make application within 1 year after earning the applicable degree.

(2) *Eligible nonmilitary Government employees.* Full time civilian employees of the Department of Defense or the Department of Energy who have served at least 5 years in a civil service position and are terminated from Government employment as a result of reductions in defense spending or the closure of realignment of a military installation as determined by the Secretary of Defense or the Secretary of Energy. Application must be made after receipt of a notice of termination but not later than 1 year following termination.

(3) *Eligible contractor employees.* Scientists or engineers whose employment is terminated (or who have received notice of termination) as a result of the completion or termination of a defense contract or program or reductions in defense spending. The individuals must have been employed for not less than five years as a scientist or engineer with a private defense contractor that has entered into a cooperative agreement with Department of Defense to help support the program including payment of 50 percent of the stipend provided to the contractor employee selected for assistance.

(e) *Grant.* Funding to be provided to a local education agency to offset the basic salary of a program participant during five consecutive years of employment. Assuming employment begins at the beginning of a school year, a grant shall be paid in five installments in accordance with the following schedule:

First Year—50 percent of basic salary not to exceed $25,000

Second Year—40 percent of basic salary not to exceed $10,000

Third Year—30 percent of basic salary not to exceed $7,500

Fourth Year—20 percent of basic salary not to exceed $5,000

Fifth Year—10 percent of basic salary not to exceed $2,500

(1) Installments shall be payable after the end of each school year within 30 days after the local education agency certifies to the Department of Defense the basic salary paid to the employee during the past school year is consistent with the written agreement between the local educational agency and the Department of Defense.

(2) If employment begins other than at the beginning of a school year, the grant shall be payable in up to six installments. The grant payments shall be based on the total teacher pay days equivalent to a full school year. Payments will be made so that reimbursement does not exceed the percentage and dollar amounts for any one equivalent full school year.

(f) *Stipend.* The lesser of $5,000 or the total costs of the type described in ''Higher Education Act of 1965,'' section 472 (20 U.S.C. 1087*ll*), incurred by a selected program participant while obtaining certification.

[59 FR 7213, Feb. 15, 1994, as amended at 60 FR 30189, June 8, 1995]

§ 254.3 Responsibilities.

(a) The Assistant Secretary of Defense (Personnel and Readiness) shall:

(1) Monitor compliance with this part and the responsibilities of the Secretary of Defense as authorized by ''National Defense Authorization Act for Fiscal Year 1993,'' sections 4441, 4442, 4443, Public Law 102–484 (10 U.S.C. 1151, 1598, 2410c).

(2) The Director of Education, as the representative for the ASD(P&R), shall:

(i) Identify program needs and provide program direction.

(ii) Provide liaison and coordination with educational agencies, and school officials.

(iii) Oversee the funding of this program and ensure compliance with this memorandum.

(iv) Conduct a survey of States to identify those States that have alternative certification or licensure requirements for teachers, including those States that grant credit for service in the armed forces towards satisfying certification or licensure requirements for teachers.

(b) The Secretaries of the Military Departments shall:

(1) Ensure that separating Service members are informed about the subject program during preseparation counseling provided by Transition Assistance Offices.

(2) Ensure that installation Education Centers can, upon request, provide information and counseling on teacher training and certification, including alternative certification requirements.

(3) Ensure that separating employees are informed about this program during preseparation counseling by installation and activity Civilian Personnel Officers.

(4) Ensure that personnel management offices inform noncommissioned officers who will reach ten years of service during the current fiscal year (until September 30, 1997), who have the potential to perform as elementary or secondary school teachers, but who do not satisfy the minimum educational requirements to qualify for the program of the opportunity to obtain those qualifications within five years after discharge or release from active duty and apply for placement assistance within one year thereafter.

(c) The Secretary of the Navy shall, as executive agent for the Defense Activity for Non-Traditional Education Support (DANTES), ensure DANTES is provided assistance and support in meeting its responsibilities in support of this program.

§254.4 Procedures.

(a) The Secretary of the Navy, as executive agent for DANTES, shall ensure DANTES executes the program, by:

(1) Issuing procedural guidance implementing this part, as necessary.

(2) Preparing and distributing information, forms and publications.

(3) Selecting participants based upon criteria established by ''National Defense Authorization Act for Fiscal Year 1993,'' Public Law 102–484, 106 stat. 2725, as amended by ''National Defense Authorization Act for Fiscal Year 1994,'' section 1331, Public Law 103–160, 107 stat. 1791 and those stated in paragraph (e) of this section.

(4) Receiving and evaluating applications for stipends and making awards based on criteria consistent with ''National Defense Authorization Act for Fiscal Year 1993,'' sections 4441, 4442, and 4443, Public Law 102–484, 106 stat. 2725 as amended by ''National Defense Authorization Act for Fiscal Year 1994,'' section 1331, Public Law 103–160, 107 stat. 1791 and ''Higher Education Act of 1965,'' section 472, (20 U.S.C. 1087*ll*).

(5) Receiving and evaluating applications for grants and making awards, based on criteria consistent with reference to ''National Defense Authorization Act for Fiscal Year 1993,'' Public Law 102–484, 106 stat. 2725 as amended by ''National Defense Authorization Act for Fiscal Year 1994, section 1331, Public Law 103–160, 106 stat. 2725, and title I, Elementary and Secondary Education Act of 1965 (20 U.S.C. 2701 et seq.) to eligible local educational agencies that agree to employ program participants pursuant to this part.

(6) As necessary and authorized, entering into agreements with other governmental and non-governmental entities, stipend awardees, and local educational agencies eligible to participate in the program.

(7) Establishing and maintaining a file on each applicant and tracking actions taken with regard to each applicant.

(8) Establishing and maintaining a file on each local educational agency or private defense contractor who seeks to enter into an agreement with

the Department of Defense in connection with this program.

(9) Collecting debts owed the Department of Defense resulting from failure to comply with agreements made regarding the use of stipends given to program participants or grants made to local educational agencies.

(i) DANTES shall collect from local educational agencies an amount that bears the same ratio to the total amount already paid under the agreement as the unserved portion of required service bears to the five years of required service for participants that leave the employment of the local educational agency before the end of the five years of required service.

(ii) DANTES shall collect from personnel participating in this program, if the participant in the placement program fails to obtain teacher certification or licensure or employment as an elementary or secondary school teacher or as a teacher's aide or is terminated for cause, during the five years of required service. The participant shall be required to reimburse the Secretary of Defense for any stipend paid to the participant in the same ratio to the amount of the stipend as the unserved portion of required service bears to the five years of required service, except as provided in paragraph (f) of this section.

(10) Maintaining data on this program and provide reports to the Assistant Secretary of Defense (Personnel and Readiness) through the Navy, as executive agent, quarterly.

(b) Eligible Service members shall apply for participation in the program not later than 1 year after the date of discharge or release, except that eligible Service members whose date of discharge or release is on or after October 1, 1990, but before January 19, 1994, shall apply by October 5, 1995. Service members who are not eligible on their date of separation because they do not meet the degree requirements required to participate in the program, but who earn an applicable degree within 5 years after separation, shall apply not later than 1 year after earning such a degree. Service members are also encouraged to register in the Public Community Service Registry their interest in pursuing employment as an elementary or secondary school teacher or teacher's aide. Information about the Registry is provided during preseparation counseling as part of the transition assistance program.

(c) Eligible Department of Defense or Department of Energy civilian employees shall apply after they have received written notice of termination of employment but not later than 1 year following the date of such termination. DANTES shall provide program information to civilian personnel offices that will allow civilian personnel offices to make an initial determination of eligibility and refer interested employees to installation education centers for program information and to DANTES for selection purposes.

(d) Eligible Department of Defense or Department of Energy civilian employees shall apply under procedures established by DANTES and published in the FEDERAL REGISTER, after they have received notice of termination but not later than 60 days following termination. DANTES shall provide program information to civilian personnel offices that will allow civilian personnel offices to make an initial determination of eligibility and refer interested employees to installation Education Centers for program information and to DANTES for selection purposes.

(e) Applications will be screened upon receipt and grouped for either immediate evaluation or deferred evaluation. Those applications screened for immediate evaluation will be evaluated as soon as possible after receipt to determine if selection is justified. If so, applicants will be notified that they have been selected to become participants in the program. An application initially marked for deferred evaluation will be reviewed at the end of each calendar month to determine if it should be accepted for immediate evaluation, further deferred pending receipt of additional information, or rejected. Criteria to be used in selecting participants shall include the following:

(1) Is the applicant willing to work as a teacher or teacher's aide in an elementary or secondary school which serves a concentration of children from low income families?

(2) Does the applicant have educational or military experience in science, mathematics or engineering and agree to seek employment teaching science, mathematics or engineering?

(3) Is the applicant particularly likely to serve as a positive role model in the kinds of schools that are eligible to participate in this program?

(4) Does the applicant have educational or military experience in English, history, geography, foreign language, the arts or special education and agree to seek employment teaching these subjects or working with special education students?

(f) Selected participants, if eligible, may be provided a stipend to offset costs of the type described in Higher Education Act of 1965, section 472 (20 U.S.C. 1087*ll*) which are incurred by the participant while obtaining alternative certification or licensure to teach or necessary credentials to serve as a teacher's aide. A stipend will not be paid to any Service member who is entitled to the Special Separation Benefit (SSB) under 10 U.S.C. 1174a, or the Voluntary Separation Incentive (VSI) under 10 U.S.C. 1175, or who is given early retirement under ''National Defense Authorization Act for Fiscal Year 1993,'' section 4403, Public Law 102–484, 106 stat. 2702.

(1) A stipend will not be paid to any civilian employee selected to participate in the placement program who receives separation pay under 5 U.S.C. 5597.

(2) If a participant fails to obtain certification or employment as a teacher or teacher's aide, or voluntarily leaves or is terminated for cause from employment during the five years of required service, the participant shall reimburse the Department of Defense for any stipend paid in an amount that is a prorated share based on the unserved portion of required service as provided in this paragraph. A participant may be excused from the reimbursement requirement under certain circumstances provided for in ''National Defense Authorization Act for Fiscal Year 1993, Public Law 102–484, 106 stat. 2702. A participant shall be excused from the reimbursement requirement under the following circumstances. The participant:

(i) Is pursuing a full-time course of study related to the field of teaching at an eligible institution;

(ii) Is serving on active duty as a member of the armed forces;

(iii) Is temporarily totally disabled for a period of time not to exceed three years as established by sworn affidavit of a qualified physician;

(iv) Is unable to secure employment for a period not to exceed 12 months by reason of the care required by a spouse who is disabled; or

(v) Is seeking and unable to find full-time employment as a teacher or teacher's aide in an elementary or secondary school for a single period not to exceed 27 months.

(g) Participants will seek employment as elementary or secondary school teachers or teacher's aides in eligible local educational agencies identified by the Department of Defense.

(h) The Department of Defense through its executive agent, DANTES, will offer to enter into an agreement with the first eligible local educational agency that employs the participant as a full-time elementary or secondary school teacher or teacher's aide after the participant obtains necessary credentials. Under such agreements, DANTES will provide a grant to local educational agencies that agree to hire program participants for not fewer than five consecutive school years in a school of the local educational agency serving a concentration of children from low-income families. If employment is terminated by either the participant or the local educational agency before the end of the five years of required service, the grant will be adjusted as described in this part and any excess paid will be reimbursed to the government under guidance prescribed by DANTES.

(i) Participants may not be accepted to receive stipends nor agreements made with local educational agencies to provide grants unless sufficient appropriations are available to support the obligations which may be incurred.

[59 FR 7213, Feb. 15, 1994, as amended at 60 FR 30189, June 8, 1995]

PART 256—AIR INSTALLATIONS COMPATIBLE USE ZONES

Sec.
256.1 Purpose.
256.2 Applicability.
256.3 Criteria.
256.4 Policy.
256.5 The air installation compatible use program.
256.6 Runway classification by aircraft type.
256.7 Accident potential zone guidelines.
256.8 Land use compatibility guidelines for accident potential.
256.9 Real estate interests to be considered for clear zones and accident potential zone.
256.10 Air installations compatible use zone noise descriptors.
256.11 Effective date and implementation.

AUTHORITY: National Security Act of 1947, as amended, 61 Stat. 495.

SOURCE: 42 FR 773, Jan. 4, 1977, unless otherwise noted.

§ 256.1 Purpose.

This part:

(a) Sets forth Department of Defense policy on achieving compatible use of public and private lands in the vicinity of military airfields;

(b) Defines (1) required restrictions on the uses and heights of natural and man-made objects in the vicinity of air installations to provide for safety of flight and to assure that people and facilities are not concentrated in areas susceptible to aircraft accidents; and

(2) Desirable restrictions on land use to assure its compatibility with the characteristics, including noise, of air installations operations;

(c) Describes the procedures by which Air Installations Compatible Use Zones (AICUZ) may be defined; and

(d) Provides policy on the extent of Government interest in real property within these zones which may be retained or acquired to protect the operational capability of active military airfields (subject in each case to the availability of required authorizations and appropriations).

§ 256.2 Applicability.

This part applies to air installations of the Military Departments located within the United States, its territories, trusts, and possessions.

§ 256.3 Criteria.

(a) *General.* The Air Installations Compatible Use Zone for each military air installation shall consist of (1) land areas upon which certain uses may obstruct the airspace or otherwise be hazardous to aircraft operations, and (2) land areas which are exposed to the health, safety or welfare hazards of aircraft operations.

(b) *Height of obstructions.* The land area and height standards defined in AFM 86–8,[1] NavFac P–272 and P–80,[1] and TM 5–803–4[1] will be used for purposes of height restriction criteria.

(c) *Accident potential*—(1) *General.* (i) Areas immediately beyond the ends of runways and along primary flight paths are subject to more aircraft accidents than other areas. For this reason, these areas should remain undeveloped, or if developed should be only sparsely developed in order to limit, as much as possible, the adverse effects of a possible aircraft accident.

(ii) DoD fixed wing runways are separated into two types for the purpose of defining accident potential areas. Class A runways are those restricted to light aircraft (See § 256.6) and which do not have the potential for development for heavy or high performance aircraft use or for which no foreseeable requirement for such use exists. Typically these runways have less than 10% of their operations involving Class B aircraft (§ 256.6) and are less than 8000 feet long. Class B runways are all other fixed wing runways.

(iii) The following descriptions of Accident Potential Zones are guidelines only. Their strict application would result in increasing the safety of the general public but would not provide complete protection against the effects of aircraft accidents. Such a degree of protection is probably impossible to achieve. Local situations may differ significantly from the assumptions and data upon which these guidelines are based and require individual study. Where it is desirable to restrict the density of development of an area, it is not usually possible to state that one

[1] Filed as part of original. Copies available in the Office of the Assistant Secretary of Defense (Installations and Logistics)—ID, Washington, DC 20301.

density is safe and another is not. Safety is a relative term and the objective should be the realization of the greatest degree of safety that can be reasonably attained.

(2) *Accident potential and clear zones (See § 256.7).* (i) The area immediately beyond the end of a runway is the ''Clear Zone'', an area which possesses a high potential for accidents, and has traditionally been acquired by the Government in fee and kept clear of obstructions to flight.

(ii) Accident Potential Zone I (APZ I) is the area beyond the clear zone which possesses a significant potential for accidents.

(iii) Accident Potential Zone II (APZ II) is an area beyond APZ I having a measurable potential for accidents.

(iv) Modifications to APZs I and II will be considered if:

(A) The runway is infrequently used.

(B) The prevailing wind conditions are such that a large percentage (i.e., over 80 percent) of the operations are in one direction.

(C) Most aircraft do not overfly the APZs as defined herein during normal flight operations (modifications may be made to alter these zones and adjust them to conform to the line of flight).

(D) Local accident history indicates consideration of different areas.

(E) Other unusual conditions exist.

(v) The takeoff safety zone for VFR rotary-wing facilities will be used for the clear zone; the remainder of the approach-departure zone will be used as APZ I.

(vi) Land use compatibility with clear zones and APZs is shown in § 256.8.

(d) *Noise*—(1) *General.* Noise exposure is described in various ways. In 1964, the Department of Defense began using the Composite Noise Rating (CNR) system to describe aircraft noise. Several years ago the Noise Exposure Forecast (NEF) system began to replace CNR. In August 1974, the Environment Protection Agency notified all Federal agencies of intent to implement the Day-Night Average Sound Level (Ldn) noise descriptor, and this was subsequently adopted by the DoD. This Ldn system will be used for air installations. Where AICUZ studies have been published using the CNR of NEF systems or where studies have progressed to the point that a change in the descriptor system is impractical or uneconomical, such studies may be published and continued in use. However, in such cases, data necessary for conversion to Ldn should be collected and studies should be revised as soon as time and budgetary considerations permit. However, if State or local laws require some other noise descriptor, it may be used in lieu of Ldn.

(2) *Noise Zones.* (i) As a minimum, contours for Ldn 65, 70, 75 and 80 shall be plotted on maps as part of AICUZ studies.

(ii) See § 256.10 for a further discussion of Ldn use and conversion to Ldn from previously used systems.

§ 256.4 Policy.

(a) *General.* As a first priority step, all reasonable, economical, and practical measures will be taken to reduce and/or control the generation of noise from flying and flying related activities. Typical measures normally include siting of engine test and runup facilities in remote areas if practical, provision of sound suppression equipment where necessary, and may include additional measures such as adjustment of traffic patterns to avoid built-up areas where such can be accomplished with safety and without significant impairment of operational effectiveness. After all reasonable noise source control measures have been taken, there will usually remain significant land areas wherein the total noise exposure is such as to be incompatible with certain uses.

(b) *Compatible use land*—(1) *General.* (i) DoD policy is to work toward achieving compatibility between air installations and neighboring civilian communities by means of a compatible land use planning and control process conducted by the local community.

(ii) Land use compatibility guidelines will be specified for each Clear Zone, Accident Potential Zone, Noise Zone and combination of these as appropriate.

(iii) The method of control and regulation of land usage within each zone will vary according to local conditions. In all instances the primary objective will be to identify planning areas and

reasonable land use guidelines which will be recommended to appropriate agencies who are in control of the planning functions for the affected areas.

(2) *Property rights acquisition*—(i) *General.* While noise generated by aircraft at military air installations should be an integral element of land use compatibility efforts, the acquisition of property rights on the basis of noise by the Department of Defense may not be in the long term best interests of the United States. Therefore, while the complete requirement for individual installations should be defined prior to any programming actions, acquisition of interests should be programmed in accordance with the following priorities.

(ii) *Priorities.* (A) The first priority is the acquisition in fee and/or appropriate restrictive easements of lands within the clear zones whenever practicable.

(B) Outside the clear zone, program for the acquisition of interests, first in Accident Potential Zones and secondly in high noise areas only when all possibilities of achieving compatible use zoning, or similar protection, have been exhausted and the operational integrity of the air installation is manifestly threatened. If programming actions are considered necessary, complete records of all discussions, negotiations, testimony, etc., with or before all local officials, boards, etc., must be maintained. This will ensure that documentation is available to indicate that all reasonable and prudent efforts were made to preclude incompatible land use through cooperation with local governmental officials and that all recourse to such action has been exhausted. Such records shall accompany programming actions and/or apportionment requests for items programmed prior to the date of this part. In addition, a complete economic analysis and assessment of the future of the installation must be included.

(1) Costs of establishing and maintaining compatible use zones must be weighed against other available options, such as changing the installation's mission and relocating the flying activities, closing the installation, or such other courses of action as may be available. In performing analyses of this type, exceptional care must be exercised to assure that a decision to change or relocate a mission is fully justified and that all aspects of the situation have been thoroughly considered.

(2) When, as a result of such analysis, it is determined that relocation or abandonment of a mission will be required, then no new construction shall be undertaken in support of such activities except as is absolutely necessary to maintain safety and operational readiness pending accomplishment of the changes required.

(iii) *Guidelines.* This part shall not be used as sole justification for either the acquisition or the retention of owned interests beyond the minimum required to protect the Government.

(A) Necessary rights to land within the defined compatible use area may be obtained by purchase, exchange, or donation, in accordance with all applicable laws and regulations.

(B) If fee title is currently held or subsequently acquired in an area where compatible uses could be developed and no requirement for a fee interest in the land exists except to prevent incompatible use, disposal actions shall normally be instituted. Only those rights and interests necessary to establish and maintain compatible uses shall be retained. Where proceeds from disposal would be inconsequential, consideration may be given to retaining title.

(C) If the cost of acquiring a required interest approaches closely the cost of fee title, consideration shall be given to whether acquisition of fee title would be to the advantage of the Government.

(c) *Rights and interests which may be obtained.* When it is determined to be necessary for the Federal Government to acquire interests in land, a careful assessment of the type of interest to be acquired is mandatory. § 256.9 contains a listing of possible interests which should be examined for applicability.

(d) *Environmental impact statements.* (1) Any actions taken with respect to safety of flight, accident hazard, or noise which involve acquisition of interests in land must be examined to determine the necessity of preparing an environmental impact statement in accordance with DoD Directive 6050.1,

''Environmental Considerations in DoD Actions,'' March 19, 1974 (32 CFR part 214).

(2) All such environmental impact statements must be forwarded to appropriate Federal and local agencies for review in accordance with DoD Directive 6050.1 (32 CFR part 214).

(3) Coordination with local agencies will be in accordance with OMB Circular A–95.

§256.5 The air installation compatible use program.

(a) The Secretaries of the Military Departments will develop, implement and maintain a program to investigate and study all air installations in necessary order of priority to develop an Air Installation Compatible Use Zone (AICUZ) program for each air installation consistent wth §256.4. AICUZ studies which contain an analysis of land use compatibility problems and potential solutions shall be developed and updated as necessary. As a minimum, each Study shall include the following:

(1) Determination by detailed study of flight operations, actual noise and safety surveys if necessary, and best available projections of future flying activities, desirable restrictions on land use due to noise characteristics and safety of flight;

(2) Identification of present incompatible land uses;

(3) Identification of land that if inappropriately developed would be incompatible;

(4) Indication of types of desirable development for various land tracts;

(5) Land value estimates for the zones in question.

(6) Review of the airfield master plans to ensure that existing and future facilities siting is consistent with the policies in this part.

(7) Full consideration of joint use of air installations by activities of separate Military Departments whenever such use will result in maintaining operational capabilities while reducing noise, real estate and construction requirements.

(8) Recommendations for work with local zoning boards, necessary minimum programs of acquisition, relocations, or such other actions as are indicated by the results of the Study.

(b) *Procedures.* In developing AICUZ Studies the Secretaries of Military Departments shall:

(1) Follow the review and comment procedures established under OMB Circular A–95;

(2) Ensure that appropriate environmental factors are considered; and

(3) Ensure that other local, State or Federal agencies engaged in land use planning or land regulation for a particular area have an opportunity to review and comment upon any proposed plan or significant modification thereof.

(c) *Coordination with State and local governments.* Secretaries of the Military Departments shall develop procedures for coordinating AICUZ Studies with the land use planning and regulatory agencies in the area. Developing compatible land use plans may require working with local governments, local planning commissions, special purpose districts, regional planning agencies, state agencies, state legislatures, as well as the other Federal agencies. Technical assistance to local, regional, and state agencies to assist them in developing their land use planning and regulatory processes, to explain an AICUZ Study and its implications, and generally to work toward compatible planning and development in the vicinity of military airfields, should be provided.

(d) *Property rights acquisition.* The AICUZ Study shall serve as the basis for new land acquisitions, property disposal, and other proposed changes in Military Departments real property holdings in the vicinity of military airfields where applicable.

(e) *Required approvals.* Based on the results of the AICUZ Studies, each Military Department will prepare recommendations for individual installations AICUZ programs for approval as follows:

(1) The Secretaries of the Military Departments or their designated representatives will review and approve the AICUZ Studies establishing the individual air installation AICUZ program.

(2) When relocation or abandonment of a mission or an installation is apparently required, the Secretaries of the Military Departments will submit the

proposed plan for the installation, with appropriate recommendations, to the Secretary of Defense for approval.

(3) A time-phased fiscal year plan for implementation of the AICUZ program in priority order, consistent with budgetary considerations, will be developed for approval by the Secretaries of the Military Departments, or their designated representatives. These plans will serve as the basis for all AICUZ actions at the individual installations.

(f) *Coincident actions.* The Secretaries of the Military Departments will also take action to assure in accordance with § 256.4 (a) and (b) that:

(1) As the first priority action in developing an AICUZ program, full attention is given to safety and noise problems.

(2) In all planning, acquisition and siting of noise generating items, such as engine test stands, full advantage is taken of available alleviating measures, such as remote sites or sound suppression equipment.

(3) The noise exposure of on-installation facilities and personnel are considered together with that off the installation.

(4) There is development or continuation with renewed emphasis, of programs to inform local governments, citizens groups, and the general public of the requirements of flying activities, the reasons therefore, the efforts which may have been made or may be taken to reduce noise exposure, and similar matters which will promote and develop a public awareness of the complexities of air installation operations, the problems associated therewith, and the willingness of the Department of Defense to take all measures possible to alleviate undesirable external effects.

(g) Responsibilities for the acquisition, management and disposal of real property are defined in DoD Directive 4165.6, ''Real Property; Acquisition, Management and Disposal,'' September 15, 1955 (20 FR 7113).

(h) The Deputy Assistant Secretary of Defense (Installations and Housing) will examine the program developed pursuant to this part, and from time to time review the progress thereunder to assure conformance with policy.

§ 256.6 Runway classification by aircraft type.

Class A runways

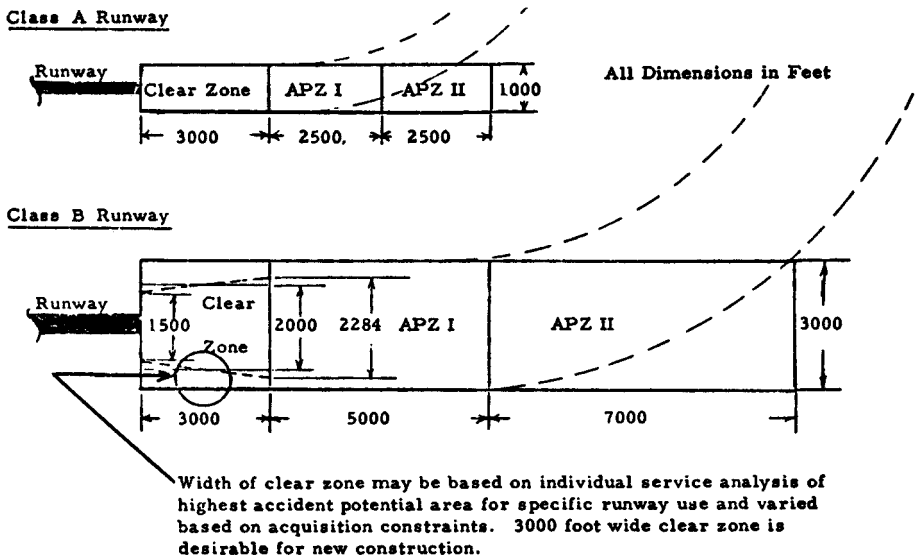
S–2, VC–6, C–1, C–2, TC–4C, U–10, U–11, LU–16, TU–16, HU–16, C–7, C–8, C–12, C–47, C–117, U–21, QU–22, E–1, E–2, O–1, U–1, U–3, U–6, U–8, U–9, O–2, OV–1, OV–10, T–28, T–34, T–41, T–42.

Class B runways

A–1, A–3, A–4, A–5, A–6, F–106, F–5, F–15, F–18, S–3, C–121, EC–121, WC–121, C–123, C–130, A–7, A–38, AV–8, P–2, P–3, T–29, T–33, T–37, T–39, T–1, HC–130B, C–131, C–140, C–5A, KC–97, F–9, F–14, F–4, F–8, F–111, T–2, T–38, B–52, B–57, B–57F, C–124, EC–130E, HC–130, C–135, VC–137, YF–12, SR–71, F–100, F–101, F–102, B–66, C–9, C–54, C–97, C–118, C–141, KC–135, EC–135, RC–135, U–2, F–104, F–105, C–119.

[42 FR 13022, Mar. 8, 1977]

§ 256.7 Accident potential zone guidelines.



§256.8 Land use compatibility guidelines for accident potential.

ZONES AND FOOTNOTES—LAND USE CATEGORY

[See footnotes at end of table]

	Compatibility [1]		
	Clear zone	APZ I	APZ II
Residential:			
Single family	No	No	Yes. [2]
2 to 4 family	do	do	No.
Multifamily dwellings	do	do	Do.
Group quarters	do	do	Do.
Residential hotels	do	do	Do.
Mobile home parks or courts	do	do	Do.
Other residential	do	do	Do.
Industrial manufacturing: [3]			
Food and kindred products	do	do	Yes.
Textile mill products	do	do	Do.
Apparel	do	do	No.
Lumber and wood products	do	Yes	Do.
Furniture and fixtures	do	do	Do.
Paper and allied products	do	do	Do.
Printing, publishing	do	do	Do.
Chemicals and allied products	do	No	No.
Petroleum refining and related industries.	do	do	Do.
Rubber and miscellaneous plastic goods.	do	do	Do.

ZONES AND FOOTNOTES—LAND USE CATEGORY—Continued

[See footnotes at end of table]

	Compatibility [1]		
	Clear zone	APZ I	APZ II
Stone, clay, and glass products	do	Yes	Yes.
Primary metal industries	do	do	Do.
Fabricated metal products	do	do	Do.
Professional, scientific and controlling instruments.	do	No	No.
Miscellaneous manufacturing	do	Yes	Yes.
Transportation, communications and utilities: [4]			
Railroad, rapid rail transit (ongrade).	Yes	Yes [4]	Yes.
Highway and street ROW	do	Yes	Do.
Auto parking	No	do	Do.
Communication	Yes	do	Do.
Utilities	do	Yes [4]	Do.
Other transportation, communications and utilities.	do	Yes	Do.
Commercial/retail trade:			
Wholesale trade	No	do	Do.
Building materials—retail	do	do	Do.
General merchandise—retail	do	No	Do.
Food—retail	do	do	Do.
Automotive, marine, aviation—retail.	do	Yes	Do.

ZONES AND FOOTNOTES—LAND USE CATEGORY—Continued

[See footnotes at end of table]

	Compatibility [1]		
	Clear zone	APZ I	APZ II
Apparel and accessories—retail	.....do	No	Do.
Furniture, homefurnishing—retail	.....do	.....do	Do.
Eating and drinking places	.....do	.....do	No.
Other retail trade	.....do	.....do	Yes.
Personal and business services: [5]			
Finance, insurance and real estate.	.....do	.....do	Do.
Personal services	.....do	.....do	Do.
Business services	.....do	.....do	Do.
Repair services	.....do	Yes	Do.
Professional services	.....do	No	Do.
Contract construction services	.....do	Yes	Do.
Indoor recreation services	.....do	No	Do.
Other services	.....do	.....do	Do.
Public and quasi-public services:			
Government service	.....do	.....do	Yes.[5]
Educational services	No	No	No.
Cultural activities	.....do	.....do	Do.
Medical and other health services.	.....do	.....do	Do.
Cemeteries	.....do	Yes [6] ..	Yes. [6]
Nonprofit organization including churches.	.....do	No	No.
Other public and quasi-public services.	.....do	.....do	Yes.
Outdoor recreation:			
Playground's neighboring parks	.....do	.....do	Yes.
Community and regional parks	.....do	Yes [7] ..	Yes. [7]
Nature exhibits	.....do	Yes	Yes.
Spectator sports including arenas.	.....do	No	No.
Golf course, [8] riding stables [9]	.....do	Yes	Yes.
Water based recreational areas	.....do	.....do	Do.
Resort and group camps	.....do	No	No.
Entertainment assembly	.....do	.....do	Do.
Other outdoor recreation	.....do	Yes [7] ..	Yes.
Resource production and extraction and open land:			
Agriculture [10]	Yes	Yes	Do.
Livestock farming, animal breeding [11].	No	.....do	Do.
Forestry activities [12]	No [13] ..	Yes	Do.
Fishing activities and related services [14].	No [15] ..	Yes [14]	Do.
Mining activities	No	Yes	Do.
Permanent open space	Yes	.....do	Do.
Water areas [14]	.....do	.....do	Do.

Footnotes.

[1] A ''Yes'' or ''No'' designation for compatible land use is to be used only for gross comparison. Within each, uses exist where further definition may be needed as to whether it is clear or normally acceptable/unacceptable owing to variations in densities of people and structures.

[2] Suggested maximum density 1–2 DU/AC, possibly increased under a planned unit development where maximum lot covered less than 20 percent.

[3] Tactics to be considered: Labor intensity, structural coverage, explosive characteristics, air pollution.

[4] No passenger terminals and no major above ground transmission lines in APZ I.

[5] Low intensity office uses only. Meeting places, auditoriums, etc., not recommended.

[6] Excludes chapels.

[7] Facilities must be low intensity.

[8] Clubhouse not recommended.

[9] Concentrated rings with large classes not recommended.

[10] Includes livestock grazing but excludes feedlots and intensive animal husbandry.

[11] Includes feedlots and intensive animal husbandry.

[12] No structures (except airfield lighting), buildings or above ground utility/communication lines should be located in the clear zone. For further runway safety clearance limitations pertaining to the clear zone see AFM 86–6 TM 5–803–4 and NAVFAC P–80.[2].

[13] Lumber and timber products removed due to establishment, expansion or maintenance of clear zones will be disposed of in accordance with DoD Instruction 4170.7, ''Natural Resources—Forest Management,'' June 21, 1965 (32 CFR 233) and DoD Instruction 7310.1, ''Accounting and Reporting for Property Disposal and Proceeds from Sale of Disposable Personal Property and Lumber or Timber Products,'' July 10, 1970.[1]

[14] Includes hunting and fishing.

[15] Controlled hunting and fishing may be permitted for the purpose of wildlife control.

§ 256.9 Real estate interests to be considered for clear zones and accident potential zone.

(a) The right to make low and frequent flights over said land and to generate noises associated with:

(1) Aircraft in flight, whether or not while directly over said land,

(2) Aircraft and aircraft engines operating on the ground at said base, and,

(3) Aircraft engine test/stand/cell operations at said base.

(b) The right to regulate or prohibit the release into the air of any substance which would impair the visibility or otherwise interfere with the operations of aircraft, such as, but not limited to, steam, dust and smoke.

(c) The right to regulate or prohibit light emissions, either direct or indirect (reflective), which might interfere with pilot vision.

(d) The right to prohibit electrical emissions which would interfere with aircraft and aircraft communications systems or aircraft navigational equipment.

(e) The right to prohibit any use of the land which would unnecessarily attract birds or waterfowl, such as, but not limited to, operation of sanitary landfills, maintenance of feeding stations or the growing of certain types of

vegetation attractive to birds or waterfowl.

(f) The right to prohibit and remove any buildings or other non-frangible structures.

(g) The right to top, cut to ground level, and to remove trees, shrubs, brush or other forms of obstruction which the installation commander determines might interfere with the operation of aircraft, including emergency landings.

(h) The right of ingress and egress upon, over and across said land for the purpose of exercising the rights set forth herein.

(i) The right to post signs on said land indicating the nature and extent of the Government's control over said land.

(j) The right to prohibit land uses other than the following:

(1) Agriculture.

(2) Livestock grazing.

(3) Permanent open space.

(4) Existing water areas.

(5) Rights of way for fenced two lane highways, without sidewalks or bicycle trails and single track railroads.

(6) Communications and utilities rights of way, provided all facilities are at or below grade.

(k) The right to prohibit entry of persons onto the land except in connection with activities authorized under paragraphs (a), (b), (c), and (f) of this section.

(l) The right to disapprove land uses not in accordance with §256.8.

(m) The right to control the height of structures to insure that they do not become a hazard to flight.

(n) The right to install airfield lighting and navigational aids.

§256.10 Air installations compatible use zone noise descriptors.

(a) Composite Noise Rating (CNR) and Noise Exposure Forecast (NEF) values as previously required by Sections III., IV., and V. of DoD Instruction 4165.57, ''Air Installations Compatible Use Zones,'' July 30, 1973[1] will no longer be used.

(b) Where CNR 100 (or the quietest boundary of CNR Zone 2 if otherwise computed) or NEF 30 would previously have been used, data shall be collected sufficient to permit computation of Ldn 65 noise contours and these noise contours shall be plotted on maps accompanying AICUZ studies.

(c) Where CNR 115 (or the boundary of CNR Zone 3 if otherwise computed) or NEF 40 would previously have been used, data shall be collected sufficient to permit computation of Ldn 75 noise contours and these noise contours shall be plotted on maps accompanying AICUZ studies.

(d) Where previous studies have used CNR or NEF, for meters of policy, noise planning and decisionmaking, areas quieter than Ldn 65 shall be considered approximately equivalent to the previously used CNR Zone 1 and to areas quieter than NEF 30. The area between Ldn 65 and Ldn 75 shall be considered approximately equivalent to the previously used CNR Zone 2 and to the area between NEF 30 and NEF 40. The area of higher noise than Ldn 75 shall be considered approximately equivalent to the previously used CNR Zone 3 and to noise higher the NEF 40. The procedures shall remain in effect only until sufficient data to compute land values can be obtained.

(e) When computing helicopter noise levels using data collected from meters, a correction of +7db shall be added to meter readings obtained under conditions where blade slap was present until and unless matters are developed which more accurately reflect true conditions.

(f) Noise contours less than Ldn 65 or more than Ldn 80 need not be plotted for AICUZ studies.

(g) Since CNR noise levels are not normally directly convertible to Ldn values without introducing significant error, care should be exercised to assure that personnel do not revise previous studies by erroneously relabeling CNR contours to the approximately equivalent Ldn values.

(h) Where intermittent impulse noises are such as are associated with bombing and gunnery ranges are of importance such noises will be measured using standard ''C'' weighing of the

[1] Filed as part of original. Copies available in the Office of the Assistant Secretary of Defense (Installations and Logistics)—IO, Washington, DC 20301.

various frequencies to insure a description most representative of actual human response.

§ 256.11 Effective date and implementation.

This part is effective immediately. Two copies of implementing regulations shall be forwarded to the Assistant Secretary of Defense (Installations and Logistics) within 90 days after publication of final rules.

PART 257—ACCEPTANCE OF SERVICE OF PROCESS

Sec.
257.1 Purpose.
257.2 Applicability.
257.3 Definition.
257.4 Policy.
257.5 Responsibilities.

AUTHORITY: 5 U.S.C. 301, 133.

SOURCE: 49 FR 1490, Jan. 12, 1984, unless otherwise noted.

§ 257.1 Purpose.

This rule updates DoD policy governing acceptance of service of process served on the Secretary of Defense and the Secretaries of the Military Departments.

§ 257.2 Applicability.

This rule applies to the Office of the Secretary of Defense (OSD) and the Military Departments.

§ 257.3 Definition.

Service of Process. When applied to the filing of a court action against an officer or agency of the United States, service of process refers to the delivery or, when appropriate, receipt by mail, of a summons and complaint made in accordance with Rule 4, Federal Rules of Civil Procedure by serving the United States and by serving a copy of the summons and complaint by registered or certified mail to such officer or agency. It further signifies the delivery of a subpoena requiring a witness to appear and give testimony or of a subpoena requiring production of documents, or delivery of a subpoena for any other reason whether or not the matter involves the United States.

§ 257.4 Policy.

It is DoD policy to accept service of process directed to the Secretary of Defense or a Secretary of a Military Department in his official capacity. Acceptance of service of process will not constitute an admission or waiver with respect to the jurisdiction or to the propriety of service.

§ 257.5 Responsibilities.

The following responsibilities may not be redelegated:

(a) The *General Counsel, Department of Defense,* shall accept service of process for the OSD.

(b) The *Secretary of the Army,* or his designee, the *Chief, Litigation Division,* Office of the Judge Advocate General, shall accept service of process for the Department of the Army.

(c) The *Secretary of the Navy,* or his designee, the *General Counsel,* shall accept service of process for the Department of the Navy.

(d) The *Secretary of the Air Force,* or his designee, the *Chief, General Litigation Division,* Office of the Judge Advocate General, shall accept service of process for the Department of the Air Force.

PART 258—COOPERATION WITH ALLIES IN RESEARCH AND DEVELOPMENT OF DEFENSE EQUIPMENT

Sec.
258.1 Purpose.
258.2 Background.
258.3 Policy.
258.4 Criteria.
258.5 Procedures.
258.6 Responsibilities and authorities.

AUTHORITY: 5 U.S.C. 301.

SOURCE: 33 FR 13024, Sept. 14, 1968, unless otherwise noted.

§ 258.1 Purpose.

It is the purpose of this part to specify Defense Department policy for strengthening cooperation with Allies in research and development and to assign responsibilities for implementing it. This policy calls for maximum coordination of technical objectives and programs with those of our allies. It complements DoD Directive 3100.4,

Harmonization of Qualitative Requirements for Defense Equipment of United States and Allies.[1]

§258.2 Background.

Cooperation in defense research and development between the United States and its Allies since World War II has been aimed primarily at assisting them, financially as well as technically, in developing indigenous capabilities. The economic status of certain of these Allies has now evolved beyond the point of warranting further financial assistance. However, the evolution of modern weapons of increasing cost and complexity makes the effective utilization of the aggregate of available technical resources a matter of concern to each nation.

§258.3 Policy.

(a) The United States will cooperate with its Allies to the greatest degree possible in the development of defense equipment, where such cooperation is in the overall best interests of the United States. The objectives of such cooperation will be:

(1) To make the best equipment available to the United States and its Allies in the most timely manner.

(2) To increase the effectiveness of the scientific and technical resources of the United States and its Allies, especially by eliminating unnecessary and wasteful duplication of effort.

(3) To achieve the maximum practicable degree of standardization of equipment.

(4) To create closer military ties among the Alliance.

(b) The United States will seek to enter in bilateral and multilateral agreements with its allies that will minimize waste resulting from purely duplicative R&D programs and, within the criteria stated in §258.4, encourage the establishment of a mutually acceptable free, fully competitive market for defense R&D. To this effect, the DoD will:

(1) Continue to encourage the mutual development of technical capabilities, in particular through exchanges of significant information.

(2) Coordinate exploratory, advanced and engineering development plans to minimize wasteful duplication.

(3) Participate in joint development programs for major systems meeting harmonized requirements, whenever such programs meet the objectives and criteria listed in this part.

(4) Consistent with OSD guidance, consider promising foreign as well as U.S. R&D resources prior to placing research and development contracts.

(5) Facilitate availability of U.S. R&D resources to foreign procurement agencies, on terms similar to those governing availability of these resources to U.S. agencies.

(c) Necessary release of classified information will be in accordance with the provisions of the National Disclosure Policies.

§258.4 Criteria.

(a) The general criteria for such cooperation will be:

(1) Except for MAP ''grant-aid countries,'' no appropriations available to the DoD will be used to finance the foreign research and development effort unless the program is aimed at satisfying a United States military need.

(2) Except for MAP ''grant-aid countries,'' cooperative R&D programs will be funded by Service RDT&E funds.

(3) U.S. participation in jointly funded development programs will not be approved unless the United States receives design and production rights equivalent to those secured from domestic sources.

(b) International balance-of-payments considerations have resulted in the establishment of certain specific restrictions pertinent to DoD overseas activities, including those relating to foreign R&D. The screening and selection of proposed R&D projects must be consistent with these restrictions. In this connection, preference should be given to the following types of joint R&D undertakings:

(1) Projects that provide for the investment of foreign funds in U.S. R&D activities under mutually acceptable terms and conditions.

(2) Projects that offer the U.S. good prospects for the ultimate sale of the

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end item or associated components to second and third foreign parties.

(3) Projects that capitalize on the unique technical state-of-the-art capabilities existing in a foreign country and offer prospects of saving the U.S. time and money in the R&D and production field.

(4) Projects that enable the United States to assist and/or accommodate a foreign second party to accomplish joint R&D objectives without jeopardizing U.S. aspirations to promote future U.S. sales to third countries.

§ 258.5 Procedures.

Procedures for accomplishing and administering the cooperative programs and projects will be integrated into DoD management systems so that decisions concerning national and international programs will be made by the same individuals.

§ 258.6 Responsibilities and authorities.

(a) The Military Departments are charged with the primary responsibility for implementing this part.

(b) The Director of Defense Research and Engineering will be responsible for monitoring the implementation of this part. He will:

(1) Negotiate basic policy agreements with foreign Ministries of Defense as appropriate.

(2) Consult with the Joint Chiefs of Staff on the interaction of research and development and strategic doctrines.

(3) Seek formal statements of military operational requirements from the Military Departments or the JCS, as appropriate, for research and development projects and equipment areas which require such statements.

(4) Recommend to the Secretary of Defense policy guidance and appropriate instructions for the Military Departments to assure consistency of their actions and conformity with National Policy.

(5) Continually review progress made towards the objectives of this part.

(6) Request policy guidance and support from Assistance Secretaries of Defense (ISA) (I&L) (Comp), and the General Counsel on matters within their respective fields of responsibility.

(c) The Defense Advisor U.S. Mission to the North Atlantic Treaty Organization will assist the Director of Defense Research and Engineering, as directed, in supervising the implementation of this part.

(d) Military Assistance Advisory Groups and Missions will provide advice and assistance to the Military Departments as requested and within the limits of availability of assigned resources. Those MAAGs and Missions within the North Atlantic Treaty Organization areas will provide advice and assistance to the Defense Advisor U.S. NATO when requested.

PART 259—UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION FOR FEDERAL AND FEDERALLY ASSISTED PROGRAMS

AUTHORITY: Section 213, Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Pub. L. 91–646, 84 Stat. 1894, (42 U.S.C. 4601) as amended by the Surface Transportation and Uniform Relocation Assistance Act of 1987, Title IV of Pub. L. 100–17, 101 Stat. 246–256 (42 U.S.C. 4601 note).

§ 259.1 Uniform relocation assistance and real property acquisition.

Regulations and procedures for complying with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Pub. L. 91–646, 84 Stat. 1894 42 U.S.C. 4601) as amended by the Surface Transportation and Uniform Relocation Assistance Act of 1987 (Title IV of Pub. L. 100–17, 101 Stat. 246–256, 42 U.S.C. 4601 note) are set forth in 49 CFR part 24.

[52 FR 48020, Dec. 17, 1987]

PART 260—VENDING FACILITY PROGRAM FOR THE BLIND ON FEDERAL PROPERTY

Sec.

260.1 Reissuance and purpose.
260.2 Applicability.
260.3 Policy.
260.4 Responsibilities.
260.5 Arbitration.
260.6 Definitions.

AUTHORITY: 49 Stat. 1559, as amended by Act of Aug. 3, 1954, Pub. L. 83–565, 68 Stat. 663, as further amended by Pub. L. 93–516, 88 Stat. 1622, (20 U.S.C. 107).

SOURCE: 43 FR 25337, June 12, 1978, unless otherwise noted.

§260.1 Reissuance and purpose.

This part updates part 260 to implement the provisions of the Randolph-Sheppard Vending Stand Act and 45 CFR part 13, part 1369, and establishes within the Department of Defense:

(a) Uniform policies for application of priority accorded the blind to operate vending facilities;

(b) Requirements for satisfactory vending facility sites in DoD Component-owned or occupied buildings; and,

(c) Vending machine income-sharing requirements on property under the jurisdiction of a DoD Component.

§260.2 Applicability.

The provisions of this part apply to the office of the Secretary of Defense, the Military Departments, and the Defense Agencies (hereafter referred to as ''DoD Components'') in the 50 States, the District of Columbia, Puerto Rico, American Samoa, Guam, and the Virgin Islands.

§260.3 Policy.

In implementation of the Randolph-Sheppard Act, priority on DoD-controlled property will be extended to the blind as set out below:

(a) The blind will be given a priority in establishment and operation of vending facilities.

(b) The blind will be given a priority in award of contracts to operate cafeterias.

(c) In conjunction with acquisition or substantial alteration or renovation of property, satisfactory sites will be provided for operation of blind vending facilities.

(d) Certain income from vending machines operated by a DoD Component either directly or by contract will be given to State licensing agencies.

(e) DoD components will take necessary action to ensure that, within their areas of responsibility, the requirements set forth below are implemented.

(f) The blind have a priority right to operate vending facilities on DoD-controlled property when the opportunity to operate them becomes available. The priority extended allows blind licensees to be gainfully employed. While primary responsibility for carrying out this intent falls upon the State licensing agency, it is nevertheless a responsibility of the on-site official to ensure that the operator is in fact a State licensed blind person and that sighted employees or assistants are utilized only to the extent reasonably necessary.

(1) This priority will not be accorded when the on-site official determines, after conferring with the Head of the DoD component, that the interest of the United States would be adversely affected if the priority were accorded.

(2) Any determination that according the priority would be adverse to interests of the United States must be fully justified in writing through the head of the DoD component concerned (who will consult with the Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics)) (ASD(MRA&L)). The justification then shall be sent to the Secretary, Department of Health, Education, and Welfare (HEW), who has authority to determine whether the failure to accord the priority is justified by the circumstances. This determination by the Secretary, HEW must be published in the FEDERAL REGISTER and is binding upon the DoD component.

(3) Applications for permits by the State licensing agency to operate vending facilities (except cafeterias) on DoD controlled property must be submitted in writing to the head of the DoD component concerned, through the on-site official. When an application is not approved, the head of the DoD component will advise the State licensing agency in writing and will indicate the reasons for the disapproval. When issued, permits will describe the location of the vending facility and will be subject to the following requirements:

(i) The permit will be issued in the name of the State licensing agency.

(ii) The permit will be issued for an indefinite period of time subject to suspension or termination upon failure to

comply with agreed upon terms; and subject to termination by either party upon 60 days written notice to the other party, in cases of

(A) Inactivation of the installation or activity,

(B) Loss of use of a building or other facility housing the vending facility,

(C) Change in the DoD component's requirements for service, or

(D) Inability of the State licensing agency to continue to operate the vending facility.

(iii) The permit will provide that:

(A) No charge will be made by the DoD component to the State licensing agency for normal repair and maintenance of the building, or for cleaning areas adjacent to the designated vending facility boundaries, or for trash removal from a designated collection point.

(B) The State licensing agency will be responsible for cleaning and maintaining the appearance of and for the security of the vending facility within the designated boundaries of such facility and for all costs of every kind in conjunction with vending facility equipment, merchandise and other products to be sold, except as provided in paragraph (f)(3)(iii)(E) of this section. Neither party will be responsible for loss or damage to the other's property, unless proximately caused by its acts or omissions. The State licensing agency will also be responsible for the acts or omissions of the blind vendor, his employees or agents.

(C) Articles sold at such vending facilities may consist of newspapers, periodicals, publications, confections, tobacco products, foods, beverages, chances for any lottery authorized by State law and conducted by an agency of a State within such State, and other articles or services traditionally found in blind operated vending facilities operated under the Randolph-Sheppard Act as determined by the State licensing agency in consultation with the on-site official, to be suitable for a particular location (articles and services may be dispensed automatically or manually);

(D) Vending facilities will be operated in compliance with applicable health, sanitation and building codes, ordinances, and regulations;

(E) Installation, modification, relocation, removal, and renovation of vending facilities will be subject to the prior approval of the on-site official and the State licensing agency. Costs of installation, modification, removal, relocation or renovation will be paid by the initiating party. In any case of suspension or termination of a permit to operate a vending facility on the basis of noncompliance by either party, the costs of removal from the building will be borne by the noncomplying party.

(iv) The permit will also contain appropriate requirements for reimbursement or direct payment for support services such as utilities and telephone service.

(v) In the event the blind licensee fails to provide satisfactory service or otherwise fails to comply with the requirements of the permit issued to the State licensing agency, the on-site official will, after coordinating with the Head of the DoD Component, notify the State licensing agency of this deficiency in writing and request corrective action within a specified reasonable time. The notice will indicate that failure to correct the deficiency will result in temporary suspension or termination of the permit, as appropriate. Suspension or termination action will be taken by the Head of the DoD Component concerned after consultation with the ASD (MRA&L).

(g) The blind have a priority right to operate cafeterias on DoD-controlled property, as set out in paragraph (g) (1) or (2) of this section, when the cafeteria operation involved is contracted.

(1) Procuring activity solicitations, when issued, will establish basic requirements and the criteria for judging proposals. One copy of each solicitation will be provided to the State licensing agency for the blind. The criteria upon which proposals will be evaluated may include factors such as sanitation practices, personnel, staffing, menu pricing and portion sizes, variety, budget and accounting practices, fees, and other relevant considerations.

(i) If the State licensing agency submits a proposal and it is not within the competitive range established by the contracting officer, award may be made to another offeror following normal procurement procedures, but only

after the on-site official confers with the Head of the DoD Component.

(ii) If the State licensing agency submits a proposal and it is within the competitive range established by the contracting officer, the contract will be awarded to the State licensing agency except as provided in paragraph (g)(1)(iii) of this section.

(iii) The contracting officer may award to other than the State licensing agency when the on-site official determines that award to the State licensing agency would adversely affect the interests of the United States and the Secretary, HEW, approves the determination (processing will be in accordance with paragraph (f)(2) of this section), or when the on-site official determines, after conferring with the Head of the DoD Component, and the Secretary, HEW, agrees, that the blind vendor does not have the capacity to operate a cafeteria in such a manner as to provide food service at a comparable cost and of comparable high quality as that available from other providers of cafeteria services.

(2) Direct negotiations may be undertaken with State licensing agencies whenever the on-site official, with concurrence of the Head of the DoD Component, has determined that State licensing agency, through its blind licensee, can provide the cafeteria services required at a reasonable cost, with food of a high quality comparable to that available from other providers of cafeteria services. In the event direct negotiations fail to result in a contract with the State licensing agency, the procedures prescribed in paragraph (g)(1) of this section, will be followed.

(3) The operation of a cafeteria by a blind vendor will be governed by contractual agreement, not by a permit. Normal contract administration procedures will apply, except that termination actions will not be taken without prior coordination with the Head of the DoD Component concerned.

(4) All contracts for the operation of cafeterias on DoD-controlled property with other than State licensing agencies will, upon expiration, be processed under the above paragraphs unless the State licensing agency informs the on-site official that it is not prepared to exercise its priority at that time.

(h) Any DoD Component acquired (purchased, rented, leased, constructed), or substantially altered or renovated building is required to have one or more satisfactory sites (as defined in § 260.6) for a blind-operated vending facility, except as provided in paragraph (h)(1) of this section.

(1) A determination that a building contains a satisfactory site or sites is presumed made if the State licensing agency and the on-site official consult and agree that the site or sites provided are satisfactory.

(i) DoD Components will notify by certified or registered mail, return receipt requested, the appropriate State licensing agency of buildings to be acquired or substantially altered or renovated. This notification will be provided at least 60 days in advance of the intended aquisition date or the initiation of actual construction, alteration or renovation. As a practical matter, the State licensing agency should be contacted early in the planning or design stage of a project. (This notice requirement does not apply in cases as described in paragraph (h)(1)(i)(C) of this section.) This notification will:

(A) Indicate that a satisfactory site or sites for the location and operation of a blind vending facility is included in the plans for the building,

(B) Forward a copy of a single line drawing indicating the proposed location of such site or sites,

(C) Assure the State licensing agency that, subject to the approval of the DoD Component involved, it will be offered the opportunity to select the location and type of vending facility to be operated by a blind vendor prior to completion of the final space layout of the building, and

(D) Also indicate that an unexplained response indicating that the State licensing agency does not desire to establish and operate a vending facility, or the absence of a response within 30 days will be construed by the DoD Component concerned as a determination by the State licensing agency that the number of persons using the property is or will be insufficient to support a vending facility.

(ii) The State licensing agency must respond within 30 days acknowledging receipt of the correspondence from the

DoD Component and indicating whether it is interested in establishing a vending facility, and if interested, indicating its agreement or alternate selection of a location and its selection of type of vending facility. A copy of the written notice to the State licensing agency and the State licensing agency's response, if any, will be provided to the Secretary, HEW.

(iii) If the State licensing agency responds indicating that it does not desire to establish and operate a vending facility and sets forth any specific basis other than the insufficiency of persons to support a vending facility, then a satisfactory site which meets anticipated needs of the DoD Component will be incorporated. Each such satisfactory site will meet or exceed the requirements defined in § 260.6.

(iv) If an unexplained response indicating that the State licensing agency does not desire to establish and operate a vending facility is received, or if no response is received within the 30 day period, the on-site official will, through the Head of the DoD Component, notify the Secretary, HEW, that the State licensing agency's response or failure to respond has been construed as a determination by the State licensing agency that the number of persons using the property is or will be insufficient to support a vending facility and that a satisfactory site to be operated under the auspices of the State licensing agency will not be incorporated, unless directed by the Secretary, HEW. This notification will also be provided if the State licensing agency responds and affirmatively indicates that it has made such a determination.

(2) The Secretary, HEW, has determined that the requirement to provide a satisfactory site does not apply:

(i) When fewer than 100 Federal employees (as defined in § 260.6) will be located in the building during normal working hours; or

(ii) When the building contains less than 15,000 square feet to be used for Federal Government purposes in the case of a building in which services are to be provided to the general public.

(3) The provisions of paragraph (h)(2) of this section, do not preclude arrangements under which vending facilities to be operated by blind vendors may be established in buildings of a size or with an employee population less than that specified. For example, if a building is to be constructed which would contain only 80 Federal employees, upon agreement of the on-site official and the State licensing agency, the DoD Component concerned may determine to provide a satisfactory site in which the blind have agreed to operate a vending facility.

(4) When a DoD Component is leasing all or part of a privately owned building in which the lessor or any of its tenants have an existing restaurant or other food facility in a part of the building not covered by the lease and operation of a vending facility would be in substantial direct competition with such restaurant or other food operation, the requirement to provide a satisfactory site does not apply.

(i) Effective January 2, 1975, vending machine income generated by DoD will be shared with State licensing agencies for the blind and/or blind vendors as set forth below. The on-site official is responsible for the collection of, and accounting for, such vending machine income (as defined in § 260.6) and for otherwise ensuring compliance with the requirements of this paragraph.

(1) The vending machine income-sharing requirements are as follows:

(i) One hundred percent (100%) of the vending machine income from vending machines in direct competition with blind-operated vending facilities will be provided the State licensing agency.

(ii) Fifty percent (50%) of the vending machine income from vending machines not in direct competition with blind-operated vending facilities will be provided the State licensing agency.

(iii) Thirty percent (30%) of the vending machine income from vending machines not in direct competition with blind-operated vending facilities and located where at least 50 percent of the total hours worked on the premises occurs during other than normal working hours (as defined in § 260.6) will be provided the State licensing agency.

(2) The determination of whether a vending machine is in direct competition with the blind-operated vending facility is the responsibility of the on-

site official subject to the concurrence of the State licensing agency.

(3) These vending machine income-sharing requirements do not apply to:

(i) Income from vending machines operated by or for the military exchanges or ships' stores systems; or

(ii) Income from vending machines, not in direct competition with a blind-operated vending facility, at any individual location, installation, or facility (as defined in §260.6) where the total of the vending machine income (as defined in §260.6) from all such machines at such location, installation, or facility does not exceed $3,000 annually.

(4) The payment to State licensing agencies under these income-sharing requirements must be made quarterly on a calendar year basis. The first payment of income, however, will be made no later than April 30, 1978. This first payment will be for the period March 23, 1977, through the end of calendar year 1977. It will also include amounts collected and set aside during the period January 2, 1975, through March 22, 1977, for distribution to State licensing agencies. DoD Component activities which did not set aside vending machine income for distribution during the period January 2, 1975, through March 22, 1977, will consider taking steps to determine the amounts of such vending machine income which should have been withheld during that period and withhold such amounts from future income for distribution. All subsequent quarterly payments will be made within 60 days after expiration of the applicable calendar quarter.

§260.4 Responsibilities.

(a) The Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics) (ASD (MRA&L)) will monitor the overall DoD program and consult with DoD Components on all determinations (1) that the granting of a priority to the blind would be adverse to the interests of the United States, and (2) to suspend or terminate a permit to operate a vending facility.

(b) The Head of the DoD Component concerned, in monitoring its program shall:

(1) Approve/disapprove State licensing agency applications for permits and the provision of satisfactory sites;

(2) Consult with the on-site official on determinations that granting a priority to the blind would be adverse to the interests of the United States and on termination of contracts to operate a cafeteria; and

(3) Where circumstances warrant, suspend or terminate a permit to operate a vending facility.

(c) The on-site official will be the point of contact with State licensing agencies and will:

(1) Consult with State licensing agencies on articles and services to be provided;

(2) Determine, when appropriate, that granting a priority to the blind would be adverse to the interests of the United States and justify this determination to the Secretary, Health, Education, and Welfare through the Head of the DoD Component;

(3) Notify State licensing agencies of acquisition or substantial alteration or renovation of property;

(4) Ensure that operators are in fact State licensed blind persons and that sighted employees and assistants are utilized only to the extent reasonably necessary; and

(5) Negotiate with State licensing agencies on other matters indicated in §260.3.

§260.5 Arbitration.

Whenever any State licensing agency for the blind determines that any activity of the Department of Defense is failing to comply with the provisions of the Act and all informal attempts to resolve the issues have been unsuccessful, the State licensing agency may file a complaint with the Secretary, HEW, who will convene an ad hoc arbitration panel in accordance with the provisions of 45 CFR 1369.37.

§260.6 Definitions.

(a) *Blind licensee.* A blind person licensed by the State licensing agency to operate a vending facility on Federal or other property.

(b) *Cafeteria.* A food dispensing facility which provides a broad variety of prepared foods and beverages (including hot meals) primarily through the use of a serving line where the customer serves or selects for himself from displayed selections. A cafeteria

may be fully automatic, self-service, or have limited waiter or waitress service. Table or booth seating facilities are always provided. DoD Component food dispensing facilities which conduct cafeteria-type operations during part of their normal operating day and full table-service operations during the remainder of their normal operating day are not ''cafeterias'' if they engage primarily in full table-service operations.

(c) *Direct competition.* The presence and operation of a DoD Component vending machine or a vending facility on the same premises as a vending facility operated by a blind vendor. Vending machines or vending facilities operated in areas serving employees, the majority of whom normally do not have access (in terms of uninterrupted ease of approach and the amount of time required to patronize the vending facility) to the vending facility operated by a blind vendor, will not be considered to be indirect competition with that vending facility.

(d) *Federal property.* Any building, land, or other real property owned, leased, or occupied by any department, agency, or instrumentality of the United States.

(e) *Head of the DoD component.* Deputy Secretary of Defense, Secretaries of the Military Departments and the Directors of Defense Agencies or their designees. For the Pentagon Building only, the Deputy Assistant Secretary of Defense (Administration) is designated as the ''Head of the DoD Component.''

(f) *Individual location, installation, or facility.* A single building or a self-contained group of buildings. A self-contained group of buildings means two or more buildings which are in close proximity to each other, and between which a majority of the Federal employees working in such buildings regularly move from one building to another in the normal course of their official business during a normal working day.

(g) *Federal employees.* Civilian appropriated fund and nonappropriated fund employees of the United States.

(h) *License.* A written instrument issued by a State licensing agency to a blind person, authorizing that person to operate a vending facility on Federal or other property.

(i) *Normal working hours.* An 8-hour work period between the hours of 0800 and 1800 hours, Monday through Friday.

(j) *On-site official.* The individual in command of an installation or separate facility or location. For the Pentagon Building only, the chairman of the Department of Defense Concession Committee is designated as the on-site official.

(k) *Permit.* The official written approval to establish and operate a vending facility requested by and issued to a State licensing agency by a DoD Component.

(l) *Satisfactory site.* An area fully accessible to vending facility patrons and having sufficient electrical, plumbing, heating, and ventilation outlets for the location of a vending facility in accordance with applicable health and building requirements. Effective March 23, 1977, a ''satisfactory site'' will have a minimum of 250 square feet available for sale of items and for storage of articles necessary for the operation of a vending facility, unless the Head of the DoD Component and the State licensing agency agree that a smaller or larger facility is appropriate.

(m) *State.* The 50 States, District of Columbia, Puerto Rico, American Samoa, Guam, and the Virgin Islands.

(n) *State licensing agency.* The State agency designated by the Department of Health, Education, and Welfare, Commissioner of the Rehabilitation Services Administration to issue licenses to blind persons for the operation of vending facilities on Federal and other property.

(o) *Substantial alteration or renovation.* A permanent material change in the floor area of a building which would render it appropriate for the location and operation of a vending facility by a blind vendor.

(p) *Vending facility.* Automatic vending machines, cafeterias, snack bars, cart services, shelters, and counters, which sell such items as newspapers, periodicals, confections, tobacco products, foods, beverages, and other articles and services to be dispensed automatically or manually and which are prepared on or off the premises in accordance with applicable health laws and further including the vending or

exchange of chances for any lottery authorized by State law and conducted by an agency of a State within such State. ''Vending facility'' does not include food dispensing facilities (e.g., food operations of open messes/military clubs) which engage primarily in full table-service operations.

(q) *Vending machine.* For the purpose of assigning vending machine income, means a coin or currency operated machine which dispenses articles or services, except that machines providing services of a recreational nature, commonly referred to as amusement machines (e.g., jukeboxes, pinball machines, electronic game machines, pool tables, shuffle boards, etc.) and telephones, are not considered to be vending machines.

(r) *Vending machine income.* DoD Component receipts from DoD Component vending machine operations on Federal property, after deducting all applicable costs incurred (costs of goods, service, maintenance, repair, cleaning, depreciation, supervisory and administrative personnel, normal accounting, accounting for income-sharing, and so forth) where the machines are operated by any DoD Component activity; or commissions received (less applicable DoD Component costs) by any DoD Component activity from a commercial vending firm which provides vending machines on Federal property for, or with the approval of, any DoD Component activity.

(s) *Vendor.* A blind licensee who is operating a vending facility on Federal or other property.

PART 261—ARMED SERVICES MILITARY CLUB AND PACKAGE STORES

Sec.

261.1 Purpose.
261.2 Applicability.
261.3 Policy.
261.4 Procedures.
261.5 Responsibilities.
261.6 Information requirements.

AUTHORITY: 50 U.S.C. Appendix, Section 473, section 6.

SOURCE: 47 FR 34533, Aug. 10, 1982, unless otherwise noted.

§261.1 Purpose.

This part incorporates DoD Directive 1330.15, ''Alcoholic Beverage Control,'' May 4, 1964, (which is hereby cancelled), provides policy and assigns responsibilities for the operation of military clubs and package stores of the Army, Navy, Air Force, and the Marine Corps; and authorizes the development, publication, and maintenance of DoD 1015.3–R, ''Armed Services and Military Club and Package Store Regulations.''

§261.2 Applicability.

The provisions of this part apply to the Office of the Secretary of Defense and the Military Departments, including DoD activities with clubs and package stores designated as a service (executive agent) responsibility, and Defense Agencies (hereinafter referred to as ''DoD Components''). The term ''Military Services,'' as used herein, refers to the Army, Navy, Air Force, and Marine Corps.

§261.3 Policy.

It is the policy of the Department of Defense that Armed Services military clubs and package stores be established as an essential part of the DoD Morale, Welfare and Recreation (MWR) program. In addition, the Department of Defense shall establish controls and procedures governing the sale of alcoholic beverages in these clubs and package stores. Affirmative measures shall be taken to provide character guidance, emphasizing the harmful effects of the immoderate use of alcohol. Chaplains and local community and national organizations shall assist in this effort. Military clubs shall provide dining, essential feeding (where required), and social programs, services, and facilities to eligible patrons. Package stores shall provide the sale of alcoholic beverages purchased for off-premise consumption by authorized patrons, and also provide a resale source of alcoholic beverages for all other authorized activities under 50 U.S.C., Appendix, Section 473. The establishment, management, and control of club and package store nonappropriated fund instrumentalities (NAFIs) shall be in accordance with DoD Directive 1015.1, ''Establishment, Management, and

Control of Nonappropriated Fund Instrumentalities (NAFIs),'' August 19, 1981.

§ 261.4 Procedures.

Procedures and guidance are prescribed in DoD 1015.3–R, ''Armed Services Military Club and Package Store Regulations.'' Chapter 4, section C., of this guidance reads as follows:

''C. *COOPERATION*. The Department of Defense shall cooperate with local, state, and federal officials to the degree that their duties relate to the provisions of this chapter. However, the purchase of all alcoholic beverages for resale at any camp, post, station, base, or other DoD installation within the United States shall be in such a manner and under such conditions as shall obtain for the government the most advantageous contract, price and other considered factors. These other factors shall not be construed as meaning any submission to state control, nor shall cooperation be construed or represented as an admission of any legal obligation to submit to state control, pay state or local taxes, or purchase alcoholic beverages within geographical boundaries or at prices or from suppliers prescribed by any state.''

§ 261.5 Responsibilities.

(a) The *Assistant Secretary of Defense (Manpower, Reserve Affairs,* and Logistics) (ASD(MRA&AL)) shall:

(1) Provide guidance and direction in carrying out the provisions of this part; and shall establish, maintain, and disestablish clubs and package stores in accordance with DoD Directive 1015.1.

(2) Delegate executive agent responsibilities consistent with DoD Directive 1015.1.

(3) Develop, publish, and maintain DoD 1015.3–R, consistent with DoD 5025.1–M.

(b) The *Secretaries of the Military Departments* shall:

(1) Act as executive agents for the administration of clubs and package stores, consistent with DoD Directive 1015.1.

(2) Establish a Fund Council whose composition and membership are provided at Chapter 1 of DoD 1015.3–R.

(c) The *Director of Defense Agencies* shall coordinate with the Military Service concerned in the preparation of a memorandum of understanding detailing Defense Agency responsibilities for the operation of clubs and package stores under the direction, regulation, and administration of the Military Service concerned.

§ 261.6 Information requirements.

(a) This part establishes a reporting requirement that is prescribed in Chapter 4 of DoD 1015.3–R for a triennial review of each package store.

(b) Report Control Symbol DD–M(TRI)1593 has been assigned to this information requirement.

PART 263—TRAFFIC AND VEHICLE CONTROL ON CERTAIN DEFENSE MAPPING AGENCY SITES

Sec.

263.1 Definitions.
263.2 Applicability.
263.3 Compliance.
263.4 Registration of vehicles.
263.5 Inspection of license and registration.
263.6 Speeding or reckless driving.
263.7 Emergency vehicles.
263.8 Signs.
263.9 Right-of-way in crosswalks.
263.10 Parking.
263.11 Penalties.

AUTHORITY: 63 Stat. 377 as amended, 18 U.S.C. 13, 40 U.S.C. 318 a through d, 50 U.S.C. 797, Delegations, 43 FR 56895, 46 FR 58306.

SOURCE: 48 FR 34952, Aug. 2, 1983, unless otherwise noted.

§ 263.1 Definitions.

As used in this part:

(a) *Brookmont site* means those grounds and facilities of the Defense Mapping Agency Hydrographic/Topographic Center (DMAHTC) and the Defense Mapping Agency Office of Distribution Services (DMAODS) located in Montgomery County, Maryland, over which the Federal Government has acquired exclusive or concurrent jurisdiction.

(b) *Uniformed guard* means a designated DMA government guard appointed to enforce vehicle and traffic regulations by the Director, DMAHTC.

§ 263.2 Applicability.

The provisions of this regulation apply to all areas in the Brookmont site and to all persons on or within the site. They supplement those penal provisions of Title 18, U.S. Code, relating to crimes and criminal procedures,

which apply without regard to the place of the offense and those provisions of state law which are made federal criminal offenses by virtue of the Assimilative Crimes Act, 18 U.S.C. 13.

§263.3 Compliance.

(a) All persons entering the site shall comply with this regulation; with all official signs; and with the lawful directions or orders of a uniformed guard in connection with the control or regulation of traffic, parking or other conduct at the Brookmont site.

(b) At the request of a uniformed guard, a person must provide identification by exhibiting satisfactory credentials (such as driver's license).

(c) No person shall knowingly give any false or fictitious report concerning an accident or violation of this regulation to any person properly investigating an accident or alleged violation.

(d) All incidents resulting in injury to persons or damage to property must be reported to the Security Office immediately.

(e) No person involved in an accident shall leave the scene of that accident without first giving aid or assistance to the injured and making his or her identity known.

§263.4 Registration of vehicles.

(a) Newly assigned or employed individuals who intend to operate a privately-owned vehicle at the site shall register it with the Security Police Division within 24 hours after entry on duty.

(b) Temporary registration for a specified period of time will be permitted for temporarily hired, detailed, or assigned personnel; consultants; contractors; visiting dignitaries, etc.

§263.5 Inspection of license and registration.

No person may operate any motor vehicle on the site without a valid, current operator's license, nor may any person, 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.

§263.6 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 that what 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, the speed limit on the site is 15 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.

§263.7 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.

§263.8 Signs.

Every driver shall comply with all posted traffic signs.

§263.9 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 the marked crosswalk.

§263.10 Parking.

(a) No person, unless otherwise authorized by a posted traffic sign or directed by a uniformed guard, shall stand or park a motor vehicle:

(1) On a sidewalk, lawn, plants or shrubs.

(2) Within an intersection or within a crosswalk.

(3) Within 15 feet of a fire hydrant, 5 feet of a driveway or 30 feet of a stop sign or traffic control device.

(4) At any place which would result in the vehicle being double parked.

(5) At curbs painted yellow.

(6) In a direction facing on-coming traffic.

(7) In a manner which would obstruct traffic.

(8) In a parking space marked as not intended for his or her use.

(9) Where directed not to do so by a uniformed guard.

(10) Except in an area specifically designated for parking or standing.

(11) Except within a single space marked for such purposes, when parking or standing in an area with marked spaces.

(12) At any place in violation of any posted sign.

(13) In excess of 24 hours, unless permission has been granted by the Security Office.

(b) No person shall park bicycles, motorbikes or similar vehicles in areas not designated for that purpose.

(c) Visitors shall park in areas identified for that purpose by posted signs and shall register their vehicles at the front desk of Erskine Hall, Ruth Building or Fremont Building.

(d) No person, except visitors, shall park a motor vehicle on the Brookmont site without having a valid parking permit displayed on such motor vehicle in compliance with the instructions of the issuing authority.

§ 263.11 Penalties.

(a) Except with respect to the laws of the State of Maryland assimilated under 18 U.S.C. 13, whoever shall be found guilty of violating these regulations is subject to a fine of not more than $50 or imprisonment of not more than 30 days, or both in accordance with 40 U.S.C. 318c. Except as expressly provided in this part, nothing contained in these regulations shall be construed to abrogate any other Federal laws or regulations, or any State and local laws and regulations applicable to the area in which the site is situated.

(b) In addition to the penalties described in subsection (a) of this section, parking privileges may be revoked by the issuing authority for violations of any of the provisions of this regulation.

(c) Any motor vehicle that is parked in violation of this regulation may be towed away or otherwise moved if a determination is made by a uniformed guard that it is a nuisance or hazard. A fee 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.

PART 264—INTERNATIONAL INTERCHANGE OF PATENT RIGHTS AND TECHNICAL INFORMATION

Sec.
264.1 Purpose and cancellation.
264.2 Scope.
264.3 Background.
264.4 Policy.
264.5 Claims for compensation.

AUTHORITY: Secs. 601, 606, 75 Stat. 438, 440; 22 U.S.C. 2351, 2356.

SOURCE: 25 FR 14456, Dec. 31, 1960, unless otherwise noted.

§ 264.1 Purpose and cancellation.

The purpose of this part is to restate Department of Defense policy concerning the international interchange for defense purposes of patent rights and technical information. DoD Directive 2000.3, ''Technical Property Interchange Agreements'', dated April 15, 1954, is hereby superseded and cancelled. Delegation published at 19 FR 2523 is cancelled.

§ 264.2 Scope.

This part applies to the activities of all Department of Defense personnel involved in the international interchange for defense purposes of patent rights and technical information. The policy prescribed herein applies to unclassified as well as classified information, owned by the United States Government or privately owned, but does not apply to patents, patent applications, and technical information in the field of atomic energy.

§ 264.3 Background.

(a) Pursuant to the provisions of the Mutual Security Act of 1954, as amended, and of predecessor legislation superseded by that Act, the United States has entered into agreements for the Interchange of Patent Rights and Technical Information for Defense Purposes with Australia, Belgium, Denmark, France, the Federal Republic of Germany, Greece, Italy, Japan, The Netherlands, Norway, Portugal, Spain, Turkey, and the United Kingdom. The agreements, which are published in the Treaties and Other International Act

Series, are basically similar in substance but are not identical. Under the agreements:

(1) Each government undertakes to facilitate the interchange of privately owned patent rights and of technical information through the medium of commercial relationships, to the extent permitted by the laws and security requirements of the contracting governments.

(2) When technical information is supplied by one government to the other for information only, the recipient government undertakes to treat the information as disclosed in confidence and to use its best endeavors to ensure that the information is not dealt with in any manner likely to prejudice the rights of the owner to obtain patent or similar statutory protection.

(3) When technical information supplied by one government to the other discloses an invention which is the subject of a patent or patent application held in secrecy in the country of origin, the recipient government undertakes to accord similar treatment to a corresponding patent application filed in that country.

(4) When privately owned technical information is released by one government to the other and the recipient government uses or disclosed the information, the owner shall, subject to the extent that the owner may be entitled thereto under the applicable law and subject to arrangements between the contracting governments regarding the assumption as between them of liability for compensation, receive prompt, just and effective compensation for such use and for any damages resulting from such use or disclosure.

(5) Each government is entitled to use for defense purposes without cost any invention which the other government (including government corporations) owns or to which it has the right to grant a license to use, except to the extent that there may be liability to any private owner of an interest in the invention.

(b) Each of these agreements establishes a Technical Property Committee consisting of a representative of each contracting government, whose function it is to consider and make recommendations to the contracting governments on all matters relating to the subject of the agreement and to assist where appropriate in the negotiation of commercial or other agreements for the use of patent rights and technical information in the military assistance program.

(1) The Patent Advisor assigned to the Defense Staff of the U.S. Mission to the North Atlantic Treaty Organization and European Regional Organizations (USRO), Paris, France, is the United States representative to the Technical Property Committees in Europe. The J–4, Hq. United States Forces Japan, Tokyo, Japan is the United States representative to the United States-Japanese Technical Property Committee. A member of the Office of Assistant General Counsel, International Affairs, Office of the Secretary of Defense, is the United States representative to the United States-Australian Technical Property Committee. The appropriate representative should be consulted on all problems dealing with patent rights, technical information and related matters under the agreements.

(2) These representatives receive policy guidance from the Department of Defense. The Assistant Secretary of Defense for International Security Affairs is responsible within the Department of Defense for transmitting such policy guidance through appropriate channels. Guidance transmitted for the United States representative in Europe shall be forwarded to the Defense Advisor, USRO; guidance transmitted for the United States representative in Japan shall be transmitted to the Commanding General, United States Forces Japan.

(c) Department of Defense problems arising in the United States in connection with the interchange of patent rights and privately owned technical information should be referred to the patent activity of the appropriate Military Department.

[25 FR 14456, Dec. 31, 1960, as amended at 26 FR 1993, Mar. 8, 1961; 26 FR 6479, July 19, 1961]

§264.4 Policy.

It is the policy of the Department of Defense to encourage and facilitate international interchanges of patent

rights and technical information to further the common defense of the United States and friendly nations. In achieving this purpose, the following principles shall be observed.

(a) Classified military information shall be released only through Government channels and only when consistent with the National Disclosure Policy, or when approved as an exception to that policy.

(b) In accordance with the Congressional policy prescribed by section 413(a) of the Mutual Security Act of 1954, as amended (22 U.S.C. 1933(a)), and pursuant to the bilateral agreements referred to in § 264.3, commercial relationships shall be utilized whenever appropriate and to the maximum extent feasible in order to encourage the participation of private enterprise in the Mutual Security Program, to relieve the Department of Defense of administrative burdens, and to reduce the costs to the United States of such interchanges.

(c) In accordance with section 414 of the Mutual Security Act of 1954, as amended (22 U.S.C. 1934), the utilization of commercial channels for the exportation of unclassified privately owned technical information relating to articles designated as arms, ammunition, and implements of war in the United States Munitions List shall be subject to the regulations issued by the Secretary of State pursuant to section 414 of the Mutual Security Act of 1954, as amended (22 U.S.C. 1934) (Title 22 CFR, chapter I, subchapter M). (The term ''technical data'' is used in those regulations to describe technical information relating to such articles).

(d) Technical information which might be privately owned may be released under paragraph (e) (1) or (2) of this section by Department of Defense Agencies to foreign governments if any one of the following conditions are met:

(1) The owner expressly consents to the proposed release;

(2) The United States, by contract or otherwise, has acquired or is entitled to acquire, the information under circumstances which permit the proposed release; or

(3) The Secretary of the Military Department concerned, or his designee, determines, under the authority of the Mutual Security Act of 1954, as amended, that:

(i) The exigencies of the requirement for release to further the common defense do not allow sufficient time to obtain the consent of the owner; or

(ii) The owner refuses consent and the best interests of the United States would be served by the release.

(e) In accordance with the provisions of the agreements referred to in § 264.3, the release to foreign governments by Department of Defense agencies of technical information which might be privately owned shall normally be in accord with the following two step procedure:

(1) Release for information only.

(2) Permission for manufacture, or use, for defense purposes.

(f)(1) All technical information, whether privately owned or government owned, released to a foreign government by Department of Defense Agencies shall be marked with the following restrictions:

1. This information is accepted for defense purposes only.

2. This information shall be accorded substantially the same degree of security protection as such information has in the United States.

3. This information shall not be disclosed to another country without the consent of the United States.

(2) When technical information which might be privately owned is released for information only, the restrictive marking shall also contain these additional notations:

4. This information is accepted upon the understanding that it might be privately owned.

5. This information is accepted solely for the purpose of information and shall accordingly be treated as disclosed in confidence. The recipient Government shall use its best endeavors to ensure that the information is not dealt with in any manner likely to prejudice the rights of the private owner thereof to obtain patent or other like statutory protection therefor.

6. The recipient Government shall obtain the consent of the United States if it desires that this information be made available for manufacture, or use, for defense purposes.

(g) When technical information which might be privately owned is released under the procedures set forth

herein, the owner, if known, shall be furnished:

(1) Notice of the release;

(2) The identity of the recipient, if not contrary to security regulations;

(3) Notice that the recipient has been advised that the information might be privately owned; and

(4) Notice of the restrictions to which the release is subject.

§264.5 Claims for compensation.

(a) With respect to interchanges in furtherance of the purposes of the Mutual Security Act of 1954, as amended, section 506 of the Mutual Security Act of 1954, as amended (22 U.S.C. 1758) provides the exclusive remedy for compensation for infringement within the United States of a patent issued by the United States and for damage resulting from the disclosure by the United States of privately owned technical information.

(b) The Secretaries of the Military Departments are hereby authorized to exercise the power and authority conferred by section 506 of the Mutual Security Act of 1954, as amended (22 U.S.C. 1758) to enter into agreements with claimants in full settlement and compromise of any claim against the United States thereunder, subject to such rules and regulations, if any, as the Secretary of Defense may promulgate from time to time. The Secretaries of the Military Departments are authorized to make successive redelegations in writing of this power and authority to any officer, employee, board or agent of their respective departments.

(c) Funds appropriated for military assistance pursuant to the Mutual Security Act of 1954, as amended, which have been made available to a Military Department may be used to settle claims under section 506 of the Mutual Security Act of 1954, as amended (22 U.S.C. 1758). In addition, in those cases where the provisions of 10 U.S.C. 2386 are applicable, funds appropriated for a Military Department available for making or procuring supplies may be used to settle such claims.

PART 266—AUDITS OF STATE AND LOCAL GOVERNMENTS, INSTITUTIONS OF HIGHER EDUCATION, AND OTHER NONPROFIT INSTITUTIONS

Sec.
266.1 Purpose.
266.2 Applicability.
266.3 Definitions.
266.4 Policy.
266.5 Responsibilities.
266.6 Procedures.

AUTHORITY: 10 U.S.C. 140.

SOURCE: 56 FR 36003, July 30, 1991, unless otherwise noted.

§266.1 Purpose.

This part:

(a) Updates policy, responsibilities, and procedures.

(b) Implements Public Law 98–502 (31 U.S.C. 7501–7507 and 3512) and Office of Management and Budget (OMB) Circulars A–128[1] and A–133[2] to establish audit requirements for State and local governments, institutions of higher education, and other nonprofit institutions that receive Federal financial assistance.

(c) Assigns responsibilities within the Department of Defense for monitoring compliance with those requirements.

§266.2 Applicability.

This part applies to the Office of the Secretary of Defense, the Military Departments, the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Unified and Specified Commands, the Inspector General of the Department of Defense (IG, DoD), the Defense Agencies, and the DoD Field Activities (hereafter referred to collectively as ''the DoD Components'') that provide Federal financial assistance to State and local governments, institutions of higher education, and other nonprofit institutions.

[1] Forward written requests to: Office of Management and Budget Publications, 725 17th Street, NW. New Executive Office Building, Washington, DC 20503.

[2] See footnote 1 to §266.1(b).

§ 266.3 Definitions.

Terms used in this part are defined in OMB Circulars A–128 and A–133 with the following deviation. Funds paid by the National Guard Bureau to States under facilities' operation and maintenance agreements do not constitute ''Federal financial assistance'' for purposes of Public Law 98–502 and OMB Circular A–128.

§ 266.4 Policy.

The DoD Components shall rely on and use financial and performance audits performed by non-Federal auditors under OMB Circular A–128 and independent auditors under OMB Circular A–133 in the oversight of Federal financial assistance provided to State and local governments, institutions of higher education, and other nonprofit institutions. Public Law 98–502 provides that a non-Federal audit of the operations of a State or local government performed under OMB Circular A–128 may exclude public colleges and universities, in which case an audit of the public college or university shall be made in accordance with OMB Circular A–133. The DoD Components, however, may request additional audits of such assistance when required by regulation or to ensure effective use of such assistance as deemed necessary. Any additional audit effort shall be planned and carried out in such a way as to avoid duplication and shall be separately funded.

§ 266.5 Responsibilities.

(a) The Inspector General of the Department of Defense shall:

(1) Serve as the DoD senior official under OMB Circulars A–128 and A–133 for policy guidance, direction, and coordination with DoD Components and other Federal Agencies on audit matters related to State and local governments, institutions of higher education and other nonprofit institutions.

(2) For State and local governments, institutions of higher education, and other nonprofit institutions for which the OMB has assigned the DoD cognizance, do the following:

(i) Ensure that audits are made and reports are received in a timely manner and in accordance with the requirements of OMB Circulars A–128 and A–133.

(ii) Provide technical advice and liaison through the DoD Components to State and local governments, institutions of higher education, other nonprofit institutions, and independent auditors.

(iii) Make desk reviews of all reports received, and also make quality control reviews of selected audits made by non-Federal audit organizations and provide the results, when appropriate, to other interested organizations.

(iv) Promptly inform other affected Federal Agencies and appropriate law enforcement officials of any reported illegal acts or irregularities in accordance with requirements of OMB Circulars A–128 and A–133.

(v) Advise the recipient of audits that have been found not to have met the requirements in OMB Circulars A–128 and A–133. 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 followup action. Major inadequacies or repetitive sub-standard performance of independent auditors shall be referred to appropriate professional bodies for disciplinary action.

(vi) Coordinate, to the extent practicable, audits requested by other Federal Agencies, in addition to those required by OMB Circulars A–128 and A–133.

(vii) Ensure the resolution of audit findings and recommendations that affect DoD programs and those findings affecting programs of more than one Federal Agency. Ensure that a management decision affecting audit resolution shall be made within 6 months after receipt of the audit report.

(3) For local governments, institutions of higher education, and other nonprofit institutions for which the Department of Defense has assumed oversight responsibility, do the following:

(i) Provide technical advice and counsel through DoD Components to institutions and independent auditors when requested.

(ii) Assume all or some of the cognizant agency responsibilities (see paragraph (a)(2) of this section), as deemed necessary.

(4) For other State and local governments, institutions of higher education, and other nonprofit institutions, receive and distribute copies of single audit reports to appropriate DoD Components for appropriate action and followup by designated program officials.

(5) For audit reports that contain conditions affecting DoD programs, institute followup efforts to ensure that corrective actions have been taken by DoD organizations responsible for managing associated programs or funds.

(b) The Heads of the DoD Components shall:

(1) Designate an official to coordinate with the IG, DoD, on matters dealing with audits of financial assistance provided by the DoD Component to State and local governments, institutions of higher education, and other nonprofit institutions.

(2) Ensure input of accurate award data for Federal financial assistance to the appropriate DoD management information system.

(3) Ensure that the State or local government, institution of higher education, or other nonprofit institution takes appropriate actions to correct audit deficiencies involving financial assistance provided by the DoD Component.

(4) For State and local governments, institutions of higher education, and other nonprofit institutions for which the OMB has assigned DoD cognizance, do the following:

(i) Coordinate with the IG, DoD, on requests from other Federal Agencies for audits of State and local governments, institutions of higher education, and other nonprofit institutions, in addition to those required by OMB Circulars A–128 and A–133.

(ii) Seek the views of other interested agencies when a coordinated audit approach is to be used and before completing a coordinated program.

(iii) Help coordinate the audit work and reporting responsibilities among independent public accountants, State auditors, and both resident and nonresident Federal auditors to achieve the most cost-effective audit.

§266.6 Procedures.

The costs of audits made by non-Federal auditors under OMB Circulars A–128 and A–133 are allowable charges to Federal financial assistance programs. The charges may be considered as a direct cost or an allocated indirect cost in accordance with OMB Circulars A–87, A–122 and A–21[3]; FAR, part 31 (48 CFR part 31); or the DFARS, part 231 (48 CFR part 231). Generally, the percentage of costs charged to Federal assistance programs for an audit shall not exceed the percentage of Federal funds expended to the total funds expended by the recipient during the fiscal year. No cost, however, may be charged to Federal programs for audits not made in accordance with OMB Circulars A–128 and A–133 and other applicable cost principles and regulations.

PART 268—COLLECTING AND REPORTING OF FOREIGN INDEBTEDNESS WITHIN THE DEPARTMENT OF DEFENSE

Sec.

268.1 Purpose.
268.2 Applicability.
268.3 Policy.
268.4 Responsibilities.
268.5 Collection and followup procedures.
268.6 Reporting of accounts receivable and sales under 120 days delayed payment terms (short-term credit).
268.7 Collecting and reporting of foreign debts under long-term loans and debts.
268.8 Flash report of major foreign debt arrearages.
268.9 Discussion of terms.

AUTHORITY: Federal Claims Collection Act of 1966 (31 U.S.C. 951–953); Arms Export Control Act, sec. 23.

SOURCE: 43 FR 11196, Mar. 17, 1978, unless otherwise noted.

§268.1 Purpose.

This part establishes standard procedures to be used for the collecting and reporting of foreign indebtedness. Such indebtedness may arise through the (a) sale of Defense articles and services pursuant to the Arms Export Control Act; (b) operation of military missions;

[3] See footnote 1 to §266.1(b).

and (c) logistical support provided under country-to-country agreements.

§ 268.2 Applicability.

The provisions of this part apply to the Office of the Secretary of Defense, the Military Departments, and the Defense Agencies (hereafter referred to as ''DoD Components'').

§ 268.3 Policy.

It is the policy of the Department of Defense that timely and aggressive collection efforts will be conducted to assure that foreign arrearages to DoD Components are held to the absolute minimum. Foreign indebtedness will be uniformly and accurately reported to the Department of the Treasury on forms prescribed by the Treasury Fiscal Requirements Manual. The information system on the status of collection actions will support the information requirements of the National Advisory Council on International Monetary and Financial Policies (NAC).

§ 268.4 Responsibilities.

(a) The assistant Secretary of Defense (Comptroller) is the DoD point of contact for matters concerning foreign indebtedness requirements imposed on DoD from outside the Department, such as by the Congress, Treasury Department, and NAC.

(b) The Defense Security Assistance Agency (DSAA) is responsible for consolidation of feeder arrearage reports and submission of a single consolidated DoD arrearage report to the Treasury Department. The DSAA shall (1) monitor collection actions; (2) follow up when initial collection actions have been unsuccessful; and (3) serve as the focal point within DoD for responding to NAC information requests.

(c) Unless otherwise directed, the DoD Component which makes the sale, or is otherwise assigned responsibility, is responsible for taking initial collection action, accounting for indebtedness, preparation of feeder arrearage reports, and providing copies of arrearage reports to the DSAA.

§ 268.5 Collection and followup procedures.

Each DoD Component is responsible for taking timely and aggressive billing and followup collection actions for each category of indebtedness incurred by official and private obligors pursuant to authorized programs.

§ 268.6 Reporting of accounts receivable and sales under 120 days delayed payment terms (short-term credit).

(a) *General.* (1) Amounts payable to DoD Components for sales of Defense articles and services on terms which require payment of cash in advance of delivery/performance or within 60 days thereof will be classified as accounts receivable. Military Departments shall submit reports to the DSAA of foreign indebtedness related to those sales.

(2) Sales made by DoD Components under existing cases which provide for 120-day payment terms shall be classified as short-term credit sales. Similarly, those sales made after September 30, 1976, under special emergency appropriations which provide for payments 120 days after delivery of articles or services will also be classified as short-term credit sales. DoD Components shall submit reports to the DSAA of these short-term credit sales.

(3) Foreign indebtedness to DoD Components for logistical support, mission support costs, and other programs is payable upon presentation of the appropriate billing documents. Reports of foreign indebtedness related to these programs will be submitted to the DSAA.

(b) *Basis for reporting.* Amounts to be reported will be determined by analyzing unpaid bills using the criteria and definitions contained in § 268.9.

§ 268.7 Collecting and reporting of foreign debts under long-term loans and debts.

The DSAA is responsible for administering FMS long-term loans and credit programs authorized by Section 23 of the Arms Export Control Act, and likewise is responsible for determining foreign indebtedness against these programs. Debts remaining uncollected 90 days after the due date will be referred to the State Department for diplomatic assistance to effect settlement.

§268.8 Flash report of major foreign debt arrearages.

Major foreign debt arrearages are monitored by the NAC. Therefore, periodically DSAA will request flash reports from the DoD Components to satisfy NAC requirements for information on major foreign debt arrearages. For this purpose, a ''major'' foreign debt arrearage is any country program arrearage which involves the sum of $250,000 or more. Flash reports will be submitted directly to DSAA by the local command in message form with information copies to the next higher command. The report will reflect any significant changes in major foreign debt arrearages from the quarterly foreign indebtedness reports submitted in accordance with §268.6. Collections, information on increased indebtedness, problems encountered in unsuccessful collection attempts, or country circumstances which may adversely affect collections are examples of the information which should be included in the flash reports.

§268.9 Discussion of terms.

(a) *Accounts receivable.* ''Accounts receivable'' consist of those amounts due in which the original payment time required full payment within 90 days of delivery or performance. It excludes principal payments or interest on short-term and long-term loans and credits.

(b) *Arrearage delinquency determination.* Obligations generated by formal agreements, as in the case of Foreign Military Sales contracts, are due on the dates specified in the contract or on the date specified in billings rendered in accordance with these contracts. Obligations incurred under Military Mission Support (Program 142) Logistical Support (Program 143) and any other authorized programs are due on the date billings are made to the customer country unless otherwise stated in the bill. Followup and reporting actions required by this part will be taken based on these dates. (See §268.5.)

(c) *Country designations.* For reporting purposes, grants and contingent liabilities will be identified with the country which receives the benefit. Loans and credits will be identified generally with the country of the obligor or, in the instance of official multinational organizations, with the institution name. When the project is located in, or goods are destined for another country or area, the latter country or area should be stated in the description of purpose. If a government credit intermediary is the obligor, the transaction should be identified with the country where the project is located or the goods are destined.

(1) *United States.* ''United States'' shall mean the states of the United States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, the Canal Zone, Guam, Midway Island, U.S. Virgin Islands, and Wake Island.

(2) *Foreign country designations.* Country designations other than the ''United States'' shall be consistent with the standardized names and codes contained in the Military Assistance and Sales Manual (MASM).

(3) *Official Multinational Organization.* For reporting purposes, ''Official Multinational Organization'' shall mean any international or regional organization (or affiliated agency thereof) created by treaty or convention between sovereign states.

(d) *Dollar equivalents of foreign currency.* Represents dollar equivalent of all foreign currency amounts disbursed and still outstanding, undisbursed balances, and arrearages of principal and interest. They shall be computed at the reporting rate prescribed by Treasury Department Circular No. 930 for balances as of the end of the reporting period. The dollar equivalents of all other reportable amounts shall be the summation of individual transactions computed at the reporting rate prescribed for the period in which the transactions occurred.

(e) *Foreign indebtedness.* ''Foreign indebtedness'' means financial obligations owed to the U.S. Government by the following entities in connection with DoD activities.

(1) Any individual, including a citizen of the United States (excluding U.S. military members and U.S. Government employees) domiciled outside the United States.

(2) Any partnership, association, corporation, or other organization created

or organized under the laws of a foreign country, excepting branches or agencies thereof located in the United States.

(3) Any branch, subsidiary, or allied organization within a foreign country of a partnership, association, corporation, or other organization created or organized under the laws of a foreign country or the United States.

(4) Any government of a foreign country and any subdivision, agency, or instrumentality thereof, including all foreign ''Official'' institutions, even though located in the United States.

(5) Any private relief, philanthropic, or other organization of a multinational or regional character with headquarters abroad.

(6) Any official multinational organization, defined as any international or regional organization (or affiliated agency thereof) created by treaty or convention between sovereign states.

(f) *Indebtedness.* ''Indebtedness'' within the context of this part refers to financial obligations to make payment(s) to the U.S. Government in accordance with contractual or other arrangements. Such obligations generally arise from

(1) The disbursements of cash to be repaid at a future time (with or without interest),

(2) The extension of credit (by formal agreement or an open book account) in connection with the sale of products, property, or services,

(3) The formal deferral of interest collection,

(4) The purchase or repurchase of obligations that have been insured or guaranteed by the U.S. Government, and

(5) Payments by the U.S. Government in cases of default on insured or guaranteed loans and other investments when the U.S. Government acquires a debt instrument from the insured.

(g) *Long-term loans and credits.* ''Long-term loans and credits'' include any indebtedness under which the original payment terms provided for payment within a period of time exceeding one year after delivery or performance.

(h) *Official obligor.* ''Official obligors'' are debtors or guarantors who are:

(1) Central governments or their departments (ministries) or components, whether administrative or commercial.

(2) Political subdivisions such as states, provinces, departments, and municipalities.

(3) Foreign central banks.

(4) Other institutions (such as corporations, development banks, railways, and utilities) when (i) the budget of the institution is subject to the approval of the government, or (ii) the government owns more than 50 percent of the voting stock or more than half of the members of the board of directors are government representatives, or (iii) in the case of default the government or central bank would become liable for the debt of the institution.

(5) Any official multinational organization.

(i) *Private obligor.* ''Private obligors'' are all debtors or guarantors who are not defined as ''official obligors.''

(j) *Program.* ''Program'' is the law, international treaty, appropriation, or other authority under which the loans or credits are extended, or the accounts receivable arise. When a narrative program designation is required, commonly used terms should be used, e.g., Arms Export Control Act, Logistical Support, and Military Assistance Advisory Groups.

(k) *Short-term loans and credits.* ''Short-term loans and credits'' include any indebtedness under which the original payment terms provided for payment within a period from 90 days to and including one year after delivery or performance.

(l) *Time conventions.* The terms 30, 60 and 90 days should be interpreted to mean 1, 2, and 3 calendar months, respectively. That is, the period February 6 through May 5 would be considered to be 90 days. For example, in calculating amounts ''due and unpaid'' 90 days or more as of December 31 the amounts due before October 1 and remaining unpaid as of December 31 would be reportable. However, amounts due as of October 1 but remaining unpaid at December 31 would not be reportable.

PART 269—CIVIL MONETARY PENALTY INFLATION ADJUSTMENT

Sec.
269.1 Scope and purpose.
269.2 Definitions.
269.3 Civil monetary penalty inflation adjustment.
269.4 Cost of living adjustments of civil monetary penalties.
269.5 Application of increase to violations.

AUTHORITY: 28 U.S.C. 2461.

SOURCE: 61 FR 67945, Dec. 26, 1996, unless otherwise noted.

§269.1 Scope and purpose.

The purpose of this part is to establish a mechanism for the regular adjustment for inflation of civil monetary penalties and to adjust such penalties in conformity with the Federal Civil Penalties Inflation Adjustment Act of 1990, 46 U.S.C. 2461, as amended by the Debt Collection Improvement Act of 1996, Public Law 104–134, April 26, 1996, in order to maintain the deterrent effect of civil monetary penalties and to promote compliance with the law.

§269.2 Definitions.

(a) *Department.* The Department of Defense.

(b) *Civil monetary penalty.* Any penalty, fine, or other sanction that:

(1)(i) Is for a specific monetary amount as provided by Federal law; or

(ii) Has a maximum amount provided by Federal law;

(2) Is assessed or enforced by the Department pursuant to Federal law; and

(3) Is assessed or enforced pursuant to an administrative proceeding or a civil action in the Federal Courts.

(c) *Consumer Price Index.* The index for all urban consumers published by the Department of Labor.

§269.3 Civil monetary penalty inflation adjustment.

The Department shall, not later than 180 days after the enactment of the Debt Collection Improvement Act on April 23, 1996, and at least once every 4 years thereafter—

(a) By regulation adjustment each civil monetary penalty provided by law within the jurisdiction of the Department of Defense by the inflation adjustment described in §269.4; and

(b) Publish each such update in the FEDERAL REGISTER.

§269.4 Cost of living adjustments of civil monetary penalties.

(a) The inflation adjustment under §269.3 shall be determined by increasing the maximum civil monetary penalty for each civil monetary penalty by the cost-of-living adjustment. Any increase determined under this paragraph shall be rounded to the nearest:

(1) Multiple of $10 in the case of penalties less than or equal to $100;

(2) Multiple of $100 in the case of penalties greater than $100 but less than or equal to $1,000;

(3) Multiple of $1,000 in the case of penalties greater than $1,000 but less than or equal to $10,000;

(4) Multiple of $5,000 in the case of penalties greater than $10,000 but less than or equal to $100,000;

(5) Multiple of $10,000 in the case of penalties greater than $100,000 but less than or equal to $200,000; and

(6) Multiple of $25,000 in the case of penalties greater than $200,000.

(b) For purposes of paragraph (a) of this section, the term ''cost-of-living adjustment'' means the percentage (if any) for each civil monetary penalty by which the Consumer Price Index for the month of June of the calendar year preceding the adjustment, exceeds the Consumer Price Index for the month of June of the calendar year in which the amount of such civil monetary penalty was last set or adjusted pursuant to law.

(c) *Limitaiton on initial adjustment.* The first adjustment of civil monetary penalty pursuant to §269.3 may not exceed 10 percent of such penalty.

(d) *Inflation adjustment.* Maximum civil monetary penalties within the jurisdiction of the Department of Defense are adjusted for inflation as follows:

United States Code citation	Civil monetary penalty description	Maximum penalty amount as of 10/23/96	New adjusted maximum penalty amount
10 U.S.C. 1094(c)(1)	Unlawful Provision of Health Care	$5,000	$5,500
10 U.S.C. 1102(k)	Wrongful Disclosure—Medical Records:		
	First Offense	3,000	3,300
	Subsequent Offense	20,000	22,000
31 U.S.C. 1352	Use of Appropriated Funds to Influence Contract:		
	Minimum	10,000	11,000
	Maximum	100,000	110,000
31 U.S.C. 3721(i)	Personal Property Loss Claims from Government Personnel	1,000	1,100
31 U.S.C. 3802(a)(1)	Program Fraud Civil Remedies Act/Violation Involving False Claim.	5,000	5,500
31 U.S.C. 3802(a)(2)	Program Fraud Civil Remedies Act/Violation Involving False Statement.	5,000	5,500
33 U.S.C. 1319(g)(2)(A)	§ 404 Permit Condition Violation, Class I (per violation amount)	10,000	11,000
33 U.S.C. 1319(g)(2)(A)	§ 404 Permit Condition Violation, Class I (maximum amount)	25,000	27,500
33 U.S.C. 1319(g)(2)(B)	§ 404 Permit Condition Violation, Class II (per day amount)	10,000	11,000
33 U.S.C. 1319(g)(2)(B)	§ 404 Permit Condition Violation, Class II (maximum amount)	125,000	137,500

§ 269.5 Application of increase to violations.

Any increase in a civil monetary penalty under this part shall apply only to violations which occur after the date the increase takes effect.

PART 270—COMPENSATION OF CERTAIN FORMER OPERATIVES INCARCERATED BY THE DEMOCRATIC REPUBLIC OF VIETNAM

Subpart A—General

Sec.
270.1 Purpose.
270.2 Definitions.
270.3 Effective date.

Subpart B—Commission

270.4 Membership.
270.5 Staff.

Subpart C—Standards and Verification of Eligibility

270.6 Standards of eligibility.
270.7 Verification of eligibility.

Subpart D—Payment

270.8 Authorization of payment.
270.9 Amount of payment.
270.10 Time limitations.
270.11 Limitation on disbursements.
270.12 Payment in full satisfaction of all claims against the United States.
270.13 No right to judicial review or legal cause of action.
270.14 Limitation on attorneys fees.
270.15 Waiver of notary requirement.

Subpart E—Appeal Procedures

270.16 Notice of the Commission's determinations.
270.17 Procedures for filing petitions for reconsideration.
270.18 Action on reconsideration.

Subpart F—Reports to Congress

270.19 Reports to Congress.

APPENDIX A TO PART 270—APPLICATION FOR COMPENSATION OF VIETNAMESE COMMANDOS

AUTHORITY: Sec. 657, Pub. L. 104–201, 110 Stat. 2422.

SOURCE: 63 FR 3472, Jan. 23, 1998, unless otherwise noted.

Subpart A—General

§ 270.1 Purpose.

The purpose of this part is to implement section 657 of the National Defense Authorization Act for Fiscal Year 1997 (Pub. L. 104–201), which authorizes the Secretary of Defense to make payments to persons who demonstrate to the satisfaction of the Secretary of Defense that the persons were captured and incarcerated by the Democratic Republic of Vietnam as a result of the participation by the persons in certain operations conducted by the Republic of Vietnam.

§ 270.2 Definitions.

(a) *Applicant.* A person applying for payments under this part.

(b) *Child of an eligible person.* A recognized natural child, an adopted child,

or a stepchild who lived with the eligible person in a regular parent-child relationship.

(c) *The Commission*. The Commission authorized to oversee payments to certain persons captured and incarcerated by the Democratic Republic of Vietnam, established under this part.

(d) *Eligible person*. A person determined by the Commission as eligible for payment under subpart C of this part.

(e) *OPLAN 34A*. The operation carried out under the auspices of the government of South Vietnam and the U.S. Military Assistance Command Vietnam, Studies and Observations Group (MACV/SOG), starting in 1964, which inserted commandos into North Vietnam for the purpose of conducing intelligence and other military activities. OPLAN 34A also refers to predecessor operations which were precursors to OPLAN 34A operations. OP 35 refers to the small military units which were sent to conduct sabotage, reconnaissance, exploitation and other intelligence missions on or around the borders of Vietnam and Laos.

(f) *North Vietnam*. The Democratic Republic of Vietnam.

(g) *OSD*. The Office of the Secretary of Defense.

(h) *The Secretary*. The Assistant Secretary of Defense (Force Management Policy).

(i) *South Vietnam*. The Republic of Vietnam.

(j) *Spouse of an eligible person*. Someone who was married to that eligible person for at least 1 year immediately before the death of the eligible person.

(k) *Required declaration*. The statements to be signed and notarized in appendix A to this part. All applicants must sign part C and either part A or part B of appendix A to this part.

§270.3 Effective date.

This part is effective on May 15, 1997.

Subpart B—Commission

§270.4 Membership.

The Secretary shall establish within OSD a Commission that is composed of the following voting members: one representative from the Office of the Under Secretary of Defense for Personnel and Readiness, who shall be the chairman of the Commission, one representative from the Office of the Under Secretary of Defense for Policy, and one representative from each of the military departments. Members of the Commission may be either military or civilian and all members must possess, at a minimum, a Secret clearance.

§270.5 Staff.

(a) The Commission will have a support staff, which will include staff members sufficient to expeditiously and efficiently process the applications for payments under this part. All members of the staff will possess, as a minimum, a Top Secret clearance because of the sensitive nature of the information that may require review in determining eligibility of claimants.

(b) The Secretary will ensure that the Commission has all administrative support, including space, office and automated equipment and translation services, needed for the efficient and expeditious review and payment of claims. The Secretary may task appropriate Department of Defense elements to provide such support, either through assignment of personnel or the hiring of independent contractors.

Subpart C—Standards and Verification of Eligibility

§270.6 Standards of eligibility.

(a) A person is eligible for payments under this part if such person:

(1) Was captured and incarcerated by North Vietnam as a result of his participation in operations conducted under OPLAN 34A or its predecessor operation; or

(2) Served as a Vietnamese operative under OP 35, and was captured and incarcerated by North Vietnamese forces as a result of the participation by the person in operations in Laos or along the Lao-Vietnamese border pursuant to OP 35, and

(i) Was captured and incarcerated by the North Vietnamese, and remained in captivity after 1973 (or died in captivity) after participation in OP 35, and

(ii) Has not previously received payment for the United States Government after 1972 from the period spent in captivity.

(b) In the case of a decedent who would have been eligible for a payment under this part if alive, payment will be made to the survivors of the decedent in the following order:

(1) To the surviving spouse of an eligible person; or

(2) If there is no surviving spouse of an eligible person, to the surviving children of an eligible person, in equal shares.

(c) A payment may not be made under this part to, or with respect to, a person who the Commission determines, based on the available evidence, served in the People's Army of North Vietnam or provided active assistance to the Government of North Vietnam or forces opposed to the Government of South Vietnam or the United States during any period from 1958 through 1975.

(d) The Commission will make reasonable efforts to publicize the availability of payments involved in this procedure, using existing public affairs channels.

§ 270.7 Verification of eligibility.

(a) All persons applying for payment under this part shall first submit a properly completed, signed and notarized Application for Compensation of Vietnamese Commandos as set out in appendix A to this part, along will all corroborating documents and information required, to the Commission on Compensation, Office of the Secretary of Defense, 4000 Defense Pentagon, Washington, D.C. 20301–4000. Submission of an Application for Compensation of Vietnamese Commandos without properly signed and notarized declarations will automatically render the application ineligible for consideration by the Commission for payment. All applicants must sign and have notarized the declarations in Part C of the Application for Compensation of Vietnamese Commandos. In addition, all applicants must sign and have notarized the declaration in either Part A or Part B of the Application for Compensation of Vietnamese Commandos. If portions of the Application for Compensation of Vietnamese Commandos are not completed, the Commission may draw adverse inferences from the portions left incomplete.

(b) Staff Functions in the Verification of Eligibility Process. The Staff Director shall:

(1) Establish a database for logging and tracking Applications for Compensation of Vietnamese Commandos throughout the claims process, including appellate actions and final payment or denial of claims.

(2) Maintain a liaison with on-site personnel at the National Archives Center, College Park, Maryland, to organize and translate finance records for review.

(3) Upon receipt of each Application for Compensation of Vietnamese Commandos, research cases to verify eligibility of claimant to include reviewing and analyzing existing records.

(4) Forward applications (including support documentation) to other U.S. Government agencies as required (e.g., CIA, INS) for review of their records, as needed to acquire documentation that may aid in determining the eligibility of claimants to receive payments.

(5) Present any information or comments resulting from the research and review of cases, plus any reasonably available and probative information, to the Commission with a recommendation on the eligibility of applicants.

(6) If eligibility is favorably approved by the Commission, forward written requests to DFAS to effectuate payments.

(7) Prepare notification letters, on behalf of the Commission, for forwarding to claimants notifying them of the final determination concerning approval or disapproval of their applications.

(8) In coordination with the Army Budget Office and OSD, determine appropriate fund cite that will be used for payments.

(9) Assist in the preparation of required Reports to Congress.

(10) Determine administrative budgetary support requirements and submit funding request to OSD.

(11) Provide clerical and administrative support to the Commission.

(12) Create and maintain a system of records to manage all information generated by the processing of Applications for Compensation of Vietnamese Commandos under this part and to create an administrative record of actions by the Commission. All information received or originated from other Departments and agencies of the U.S. government will be retained, stored, and further disseminated only in accordance with pertinent law (e.g., 5 U.S.C. section 552(FOIA) and 5 U.S.C. section 552a (Privacy Act)) and conditions set by those originating Departments and agencies.

(c) Claims will be processed expeditiously. Within 18 months of actual receipt by the Commission of an Application for Compensation of Vietnamese Commandos, the Commission will determine the eligibility of the applicant. The standard for finding eligibility is whether the information reasonably available to the Commission indicates that the applicant is more likely than not to be eligible for a payment under this part. The burden of making a showing of eligibility shall be on the applicant. Upon determination of eligibility, the payment should be promptly accomplished.

(d) Applicants may request to appear in person before the Commission, which will retain discretion whether to grant such requests. The Commission may request the personal appearance or interview of any applicant as a condition of further consideration of his or her application if such appearance would significantly aid the Commission in its determination. All appearances shall be at the expense of the applicant.

Subpart D—Payment

§270.8 Authorization of payment.

Subject to the availability of appropriated funds, upon determination by the Commission of the eligibility of a person for payment, the Commission will authorize the Defense Finance and Accounting Service (DFAS) to make payments out of the funds appropriated for this purpose. Any payment authorized to a person under a legal disability, may, in the discretion of the Commission, be paid for the use of the person, to the natural or legal guardian, committee, conservator, or curator, or, if there is no such natural or legal guardian, committee, conservator, or curator, to any other person, including the spouse or children of such person, who the Commission determines is charged with the care of the person. The Commission will notify eligible persons of the process for disbursements.

§270.9 Amount of payment.

The amount payable to, or with respect to, an eligible person under this part is $40,000. If an eligible person can demonstrate to the satisfaction of the Commission that confinement or incarceration exceeded 20 years, the Commission may authorize payment of an additional $2,000 for each full year in excess of 20 (and a proportionate amount for a partial year), but the total amount paid to, or with respect to, an eligible person under this part may not exceed $50,000.

§270.10 Time limitations.

To be eligible for payments under this part, applicants must file Applications for Compensation of Vietnamese Commandos with the Commission within 18 months of the effective date of these regulations, May 15, 1997.

§270.11 Limitation on disbursements.

The Commission may, in its discretion, direct that the actual disbursement of a payment under this part be made only to the person who is authorized to receive the payment, and only upon the appearance of that person, in person, at any designated Defense Finance Accounting Service disbursement office in the United States. Upon approval of the Commission, payment may be made at such other location or in such other manner as the person authorized to receive payment may request in writing. In the case of an application authorized for payment but not disbursed as a result of the foregoing, the Secretary will hold the funds in trust for the person authorized to receive payment in an interest bearing account until such time as the person complies with the conditions for disbursement set out in this part.

§ 270.12 Payment in full satisfaction of all claims against the United States.

The acceptance of payment by, or with respect to, an eligible person under this part shall constitute full satisfaction of all claims by or on behalf of that person against the United States arising from the person's participation in operations under OPLAN 34A or OP35.

§ 270.13 No right to judicial review or legal cause of action.

Subject to subpart E of this part, all determinations by the Commission pursuant to this part are final and conclusive, notwithstanding any other regulation. Applicants under this part have no right to judicial review, and such review is specifically precluded. This part does not create or acknowledge any legal right or obligation whatsoever.

§ 270.14 Limitation on attorneys fees.

Notwithstanding any contract or agreement, the representative of a person authorized to receive payment under this part may not receive, for services rendered in connection with the claim of, or with respect to, a person under this part, more than 10 percent of a payment made under this part on such claim.

§ 270.15 Waiver of notary requirement.

In exceptional circumstances (e.g., overseas claimant) the requirement for notarizations may be waived at the discretion of the Commission.

Subpart E—Appeal Procedures

§ 270.16 Notice of the Commission's determinations.

Applicants whose claims for payment are denied in whole or in part by the Commission will be notified in writing of the determination. Applicants may petition the Assistant Secretary of Defense, Force Management Policy (or his designee) for a reconsideration of the Commission's determinations, and may submit any documentation in support of such petitions.

§ 270.17 Procedures for filing petitions for reconsideration.

A request for reconsideration must be made to the Secretary, care of the Staff Director of the Commission at the address of the Commission set out in § 270.7, within 45 days of receipt of the notice from the Commission of ineligibility. The Commission may waive that time limit for good cause shown.

§ 270.18 Action on reconsideration.

(a) The Assistant Secretary of Defense, Force Management Policy (or his designee) will:

(1) Review the Commission's administrative record of the original determination.

(2) Review additional information or documentation submitted by the applicant to support his or her petition for reconsideration.

(3) Determine whether the decision of the Commission should be affirmed, modified, or reversed.

(b) When there is a decision affirming the Commission's determinations, the Staff Director will notify the applicant in writing and include a statement of the reason for the affirmance.

(c) A decision of affirmance shall constitute the final action of the Department of Defense. The Secretary (or his designee) may decline to consider any subsequent petitions for reconsideration.

(d) When there is a decision modifying or reversing the Commission's determination, the notification should be immediately made to the Staff Director so as to implement the final action.

Subpart F—Reports to Congress

§ 270.19 Reports to Congress.

Not later than September 23, 1998, the Commission will prepare and the Secretary will submit to Congress a report on the payment of claims under this part. Subsequent to that initial report, the Commission will prepare and the Secretary will submit to Congress annual reports on the status of payment of claims.

APPENDIX A TO PART 270—APPLICATION FOR COMPENSATION OF VIETNAMESE COMMANDOS

All persons applying for payment shall submit a properly completed, signed and notarized Application for Compensation of Vietnamese Commandos, along with corroborating documents and information, to: Commission on Compensation, Office of the Secretary of Defense, 4000 Defense Pentagon, Washington, D.C. 20301–4000.

All applicants must sign and have notarized the declaration in Part C of the application. In addition, all applicants must sign and have notarized the declaration in either Part A or Part B of the application (as applicable).

Applicants must file applications within 18 months of the effective date of this part (15 May 1997): that is, *not later than 15 November 1998*.

Privacy Act Statement:

AUTHORITY: National Defense Authorization Act for Fiscal Year 1997, Public Law 104–201, Section 657.

Principal Purpose: To evaluate applications for cash payments for those individuals, or their surviving spouse or children, who were captured and incarcerated by North Vietnam as a result of participating in specified joint United States-South Vietnamese operations.

Routine Uses: To the Immigration and Naturalization Service and the Central Intelligence Agency for purposes of verifying information relating to the claimant's eligibility for payment. To the Department of Justice for purposes of representing the Department of Defense in *Au Dong Quy, et al./Lost Commandos* v. *The United States.*

Disclosure: Voluntary. However, if portions are not completed the Commission may draw adverse inferences from the incomplete portions.

Social Security Number: Providing a social security number is voluntary. If one is not provided, the application for payment will still be processed.

This application shall be executed by the person applying for eligibility, or his surviving spouse or children, or designated representatives of such persons.

Part A—Complete the following information on the person whose status as a former operative is the basis for applying for payment:

(1) Current legal name or legal name at death:

_____

(a) Aliases: _____

(b) Former, or other legal names used:

_____

(2) Current address or last address prior to death:

_____

_____

(3) Mailing address for compensation check in the event compensation is approved (may be different from commando's current/last address):

_____

_____

(4) Telephone Number(s): _____

(5) Identification Numbers:

(a) U.S. Social Security Number (optional):

_____

(b) U.S. Immigration & Naturalization Service (INS) Number:

_____

(c) Vietnamese Identification Card Number:

_____

(6) Date of Birth: _____

(7) Place of Birth: _____

(8) Distinguishing marks (e.g., scars):

_____

(9) Family Identification:

(a) Parents:

Father: _____

Mother: _____

(b) Spouse: _____

(c) Children: _____

_____

(d) Brothers: _____

(e) Sisters: _____

(f) Others: _____

(10) Team name: _____

(11) Team role/duties (e.g., team leader, radioman):

_____

(12) Place of insertion: _____

(13) Method of insertion (e.g., parachute, boat):

_____

(14) Date of insertion: _____

(15) Date and place of capture:

_____

(16) Detailed Record of confinement:

First Prison Name: _____

Date Arrived: _____

Next Prison Name: _____

Date Transferred: _____

Next Prison Name: _____

Date Transferred: _____

Next Prison Name: _____

Date Transferred: _____

Next Prison Name: _____

Date Transferred: _____

Next Prison Name: _____

Date Transferred: _____

Next Prison Name: _____

Date Transferred: _____

Date of Final Release from Confinement:

_____

Name of Prison/Camp/Location of Final Release:

_____

(17) Name, address, and telephone number of counsel or attorney (if any):

_____

_____

(18) Required Declaration only for commandos filing on their own behalf (complete the applicable declaration, 34A or 35—not both):

FOR OPLAN 34A OR PREDECESSOR OPERATIONS (MISSIONS INTO NORTH VIETNAM)

I served pursuant to OPLAN 34A or its predecessor operation and was captured and imprisoned by North Vietnam as a result of those activities. I did not serve in the People's Army of Vietnam or provide active assistance to the Government of the Democratic Republic of Vietnam (North Vietnam). I did not serve in or provide active assistance to forces opposed to the Government of the Republic of Vietnam (South Vietnam) or forces opposed to the United States during the period from 1958 through 1975. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Signature: _____

Date: _____

Sworn to and subscribed before me on

_____

(Date)

Notary Public: _____

Date: _____

My commission expires on

_____

(Date)

FOR OP 35 OPERATIONS (MISSIONS INTO LAOS OR ALONG THE VIET-LAO BORDER)

I served as a Vietnamese operative pursuant to OP 35, and was captured and imprisoned by North Vietnam as a result of my participation in operations in Laos or along the Lao-Vietnamese border under the direction of OP 35. I did not serve in the People's Army of Vietnam or provide active assistance to the Government of the Democratic Republic of Vietnam (North Vietnam). I did not serve in or provide active assistance to forces opposed to the Government of the Republic of Vietnam (South Vietnam) or forces opposed to the United States during the period from 1958 through 1975. I have not previously received payment from the United States Government as compensation for the period of captivity. I remained in captivity after 1973. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Signature: _____

Date: _____

Sworn to and subscribed before me on

_____

(Date)

Notary Public: _____

Date: _____

My commission expires on

_____

(Date)

Part B—In addition to part A, above, any applicant who is a surviving spouse or child of a deceased commando must complete part B, below, with information on themselves.

(1) Current Legal name:

_____

(a) Aliases: _____

(b) Former, or other names used:

_____

(2) Current Address: _____

_____

(3) Telephone Number(s): _____

(4) Identification Numbers:

(a) U.S. Social Security Number (optional):

_____

(b) U.S. Immigration and Naturalization Service (INS) Number:

_____

(c) Vietnamese Identification Card Number:

_____

(5) Date of birth: _____

(6) Place of birth: _____

(7) Relationship to deceased person: _____

(8) Date and place of marriage (if surviving spouse):

_____

_____

(9) If you are a surviving child and there is no surviving spouse, list the names and addresses of all other children of the deceased person, including all recognized natural children, step-children who lived with the deceased person, and adopted children. Provide the date of death for any who are deceased.

_____

_____

_____

_____

_____

(10) Name, address, and telephone number of counsel/attorney (if any):

_____

_____

(11) Required Declaration (Note: If Commando is deceased, applicant must sign

one of the two following declarations here and part C, below):

FOR SURVIVING SPOUSE OR CHILD OF DECEASED COMMANDO (OPLAN 34A OR PREDECESSOR OPERATIONS-MISSIONS INTO NORTH VIETNAM)

To the best of my information, knowledge, and belief, my deceased family member served pursuant to OPLAN 34A or its predecessor operation and was captured and imprisoned by North Vietnam as a result of those activities. He did not serve in the People's Army of Vietnam or provide active assistance to the Government of the Democratic Republic of Vietnam (North Vietnam). He did not serve in or provide active assistance to forces opposed to the Government of the Republic of Vietnam (South Vietnam) or forces opposed to the United States during the period from 1958 through 1975. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Signature: _____

Date: _____

Sworn to and subscribed before me on

_____

(Date)

Notary Public: _____

Date: _____

My commission expires on

_____

(Date)

FOR SURVIVING SPOUSE OR CHILD OF DECEASED COMMANDO (OP 35 UNITS-MISSIONS INTO LAOS OR ALONG THE VIET-LAO BORDER)

To the best of my information, knowledge, and belief, my deceased family member served as a Vietnamese operative pursuant to OP 35, and was captured and imprisoned by North Vietnam as a result of his participation in operations in Laos or along the Lao-Vietnamese border under the direction of OP 35. He did not serve in the People's Army of Vietnam or provide active assistance to the Government of the Democratic Republic of Vietnam (North Vietnam). He did not serve in or provide active assistance to forces opposed to the Government of the Republic of Vietnam (South Vietnam) or forces opposed to the United States during the period from 1958 through 1975. He did not previously receive payment from the United States Government as compensation for the period of captivity. He remained in captivity after 1973. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Signature: _____

Date: _____

Sworn to and subscribed before me on

_____

(Date)

Notary Public: _____

Date: _____

My commission expires on

_____

(Date)

Part C—Required Documents:

All documents submitted in support of an application for payment should be originals when possible, or copies of the originals certified by the official custodian of the documents. If certified copies cannot be obtained, uncertified copies should be submitted. If uncertified copies cannot be obtained, submit sworn affidavits from two or more persons who have personal knowledge of the information sought.

FOR THE COMMANDO/OPERATIVE (PERSON DESCRIBED IN PART A, ABOVE)

(1) Identification. A document with his current legal name and address (or legal name and address at death if deceased).

(2) Two or more sworn affidavits from individuals having personal knowledge of the person's identity (these should be submitted in addition to the document with current name and address).

(3) One document of date of birth. A birth certificate, or if unavailable, other proof of birth (e.g., passport).

(4) One document of name change, *if* the person's current legal name is not the same as when he was sent on the OPLAN 34A or OP 35 missions.

(5) One document of evidence of guardianship. This is only required if you are executing this document as the guardian of the person identified in Part A. If you are a legally-appointed guardian, submit a certificate executed by the proper official of the court appointment. If you are not such a legally-appointed guardian, submit an affidavit describing your relationship to the person and the extent to which you are responsible for the care of the person, or your position as an officer of the institution in which the person is institutionalized.

(6) One document of evidence of imprisonment. This should be a document issued by the government of North Vietnam showing the dates of the person's imprisonment.

(7) Any documents of evidence of participation in covered operations. These documents should be contracts, orders, or other operational documentation corroborating participation in clandestine operations under OPLAN 34A (or its predecessor) or OP 35.

FOR A SPOUSE OR SURVIVING CHILD OF A DECEASED PERSON DESCRIBED IN PART A, ABOVE

In addition to documents (1) through (7) above concerning the deceased person described in Part A, submit the following:

(8) One of the following documents as evidence of the Commando's death:

(a) A certified copy of extract from the public records of death, coroner's report of death, or verdict of a coroner's jury;

(b) A certificate by the custodian of the public record of death;

(c) A statement of the funeral director or attending physician or intern of the institution where death occurred;

(d) A certified copy, or extract from an official report or finding of death made by an agency or department of the United States government; or

(e) If death occurred outside the United States, an official report of death by a United States Consul or other employee of the State Department, or a copy of public record of death in the foreign country.

(f) If you cannot obtain any of the above evidence of the commando/operative's death, you must submit other convincing evidence, such as signed sworn statements of two or more persons with personal knowledge of the death, giving the place, date, and cause of death.

(g) If you are submitting an application as a surviving spouse, submit another document of the same type as evidence of the Commando's spouse's death.

FOR THE SPOUSE OF A DECEASED PERSON DESCRIBED IN PART A ABOVE

In addition to documents described in Part C items (1) through (8), above, each surviving spouse should submit the following:

(9) One of the following documents as evidence of your marriage to the deceased person:

(a) A copy of the public records of marriage, certified or attested, or an abstract of the public records, containing sufficient information to identify the parties, the date and place of marriage, and the number of prior marriages by either party if shown on the official record, issued by the officer having custody of the record or other public official authorized to certify the record, or a certified copy of the religious record of marriage;

(b) An official report from a public agency as to a marriage which occurred while the deceased person was employed by such agency;

(c) An affidavit of the clergyman or magistrate who officiated;

(d) The certified copy of a certificate of marriage attested to by the custodian of the records;

(e) The affidavits of two or more eyewitnesses to the ceremony; or

(f) In jurisdictions where ''common law'' marriages are recognized, an affidavit by the surviving spouse setting forth all of the facts and circumstances concerning the alleged marriage, such as the agreement between the parties at the beginning of their cohabitation, places and dates of residences, and whether children were born as the result of the relationship. This evidence should be supplemented by affidavits from two or more persons who know as the result of personal observation the reputed relationship which existed between the parties to the alleged marriage, including the period of cohabitation, places of residences, whether the parties held themselves out as husband and wife and whether they were generally accepted as such in the communities in which they lived.

(g) If you cannot obtain any of the above evidence of your marriage, you must submit any other evidence that would reasonably support a belief that a valid marriage actually existed.

(10) In addition, submit the following documents about ourself:

(a) Identification. A document with your current legal name and address plus two or more sworn affidavits from individuals having personal knowledge of your identity (these should be submitted in addition to the document with current name and address).

(b) One document of date of birth. A birth certificate, or if unavailable, other proof of birth (e.g. passport).

(c) One document of name change. If your current legal name is the same as that during the marriage, this section does not apply. Spouses whose current legal name is different than that used when married should submit a document or affidavits to corroborate the name change.

(d) One document of evidence of guardianship. If you are executing this document as the guardian of the spouse, you must submit evidence of your authority. If you are a legally-appointed guardian, submit a certificate executed by the proper official of the court appointment. If you are not such a legally-appointed guardian, submit an affidavit describing your relationship to the spouse and the extent to which you are responsible for the care of the spouse or your position as an officer of the institution in which the spouse is institutionalized.

FOR THE SURVIVING CHILDREN

In addition to documents described in Part C items (1) through (8), above, each surviving child should submit the following:

(11) One document as evidence of your relationship to your parent (the deceased person described in Part A, above), as follows:

If A Natural Child:

(a) Birth certificate showing that the deceased person was your parent.

(b) If the birth certificate does not show the deceased person as your parent, a certified copy of:

(i) An acknowledgment in writing signed by the deceased person;

(ii) A judicial decree ordering the deceased person to contribute to your support;

(iii) The public record of birth or a religious record showing that the deceased person was named as your parent;

(iv) Affidavit of a person who knows that the deceased person accepted you as his child; or

(v) Public records, such as records of school or welfare agencies, which show that with the deceased person's knowledge, the deceased individual was named as your parent.

If An Adopted Child:

An adopted child must submit a certified copy of the decree of adoption.

If a Step-Child:

Submit all three of the following documents as evidence of the step-child relationship:

(a) One document as evidence of birth to the spouse of the deceased person, or other evidence that reasonably supports the existence of a parent-child relationship between you and the spouse of the deceased person;

(b) One document as evidence that you were either living with or in a parent-child relationship with the deceased person at the time of his death; and

(c) One document as evidence of the marriage of the deceased person and the spouse, such as a certified copy of the record of marriage, or an abstract of the public records containing sufficient information to identify the parties and the date and place of marriage issued by the officer having custody of the record, or a certified copy of a religious record of marriage.

(12) In addition, submit the following documents about yourself:

(a) Identification. A document with your current legal name and address plus two or more sworn affidavits from individuals having personal knowledge of your identify (these should be submitted in addition to the document with current name and address).

(b) One document of date of birth. A Birth certificate, or if unavailable, other proof of birth (e.g., passport).

(c) One document of name change. If your current legal name is the same as that shown on documents attesting to your birth, this section does not apply. Persons whose current legal name is different than that used on such documents should submit a document or affidavit to corroborate the name change.

(d) One document of evidence of guardianship. If you are executing this document as the guardian of the person identified as a surviving child of a deceased person, you must submit evidence of your authority. If you are a legally-appointed guardian, submit a certificate executed by the proper official of the court appointment. If you are not such a legally-appointed guardian, submit an affidavit describing your relationship to the child and the extent to which you are responsible for the care of the child, or your position as an officer of the institution in which the child is institutionalized.

Read the following statement carefully before signing this document. A false statement may be grounds for punishment by fine or imprisonment or both. This sworn declaration must accompany all documents submitted to the Commission, whether with or separate from the application.

FOR ALL APPLICANTS

I declare under penalty of perjury under the laws of the United States of America that the foregoing documents provided in Part C are true and correct.

Signature: _____

Date: _____

Sowrn to and subscribed before me on

_____

(Date)

Notary Public: _____

Date: _____

My commission expires on

_____

(Date)

PART 271—OBTAINING INFORMATION FROM FINANCIAL INSTITUTIONS

Sec.
271.1 Purpose and applicability.
271.2 Policy.
271.3 Procedures.
271.4 Reports.

AUTHORITY: 12 U.S.C. 3401 et seq.

SOURCE: 46 FR 880, Jan. 5, 1981, unless otherwise noted. Redesignated at 56 FR 64482, Dec. 10, 1991.

§271.1 Purpose and applicability.

(a) This part establishes procedures for the National Security Agency/Central Security Service (NSA/CSS) to obtain records from financial institutions and implements 12 U.S.C. 3401–3422, 92 Stat. 3697 (Pub. L. 95–630).

(b) The provisions of this part apply only to financial records maintained by any office of a bank, savings bank, credit card issuer, industrial loan company, trust company, savings and loan, building and loan, homestead association (including cooperative banks), credit union, or consumer finance institution that is located in any district, state or territory of the United States.

(c) All NSA/CSS elements are subject to the provisions of this part.

§ 271.2 Policy.

(a) Financial records shall be sought regarding any individual who is an applicant for employment with the NSA/CSS or who has a current security clearance and/or access granted by the NSA/CSS, and regarding any other individual assigned or detailed to the NSA/CSS when such records are relevant to a final determination with respect to employment, continued assignment or detail, clearance, access or other related actions.

(b) The NSA/CSS shall seek the consent of an individual when obtaining that individual's financial records from a financial institution. Refusal of an individual to provide such consent may be grounds for denying access to all Sensitive Compartmented Information (SCI) and to other classified information in NSA/CSS custody if the circumstances of such refusal or the nature of the records sought prevent the NSA/CSS from determining that such access is or would be clearly consistent with the national security.

(c) Any actions relative to obtaining financial records without an individual's consent shall be conducted in accordance with the provisions of DoD Directive 5400.12, found in 32 CFR part 275, as appropriate.

[46 FR 880, Jan. 5, 1981. Redesignated and amended at 56 FR 64482, Dec. 10, 1991]

§ 271.3 Procedures.

(a) Representatives of NSA/CSS Security shall use a consent form as set out in Enclosure 2 of 32 CFR part 275, relative to obtaining financial records. A copy of the consent form shall be made a part of the individual's NSA/CSS security file, and an additional record copy of the form kept be security for the purpose of an annual report. A certification form as set out in Enclosure 4 of 32 CFR part 275 shall be provided to financial institutions by security representatives along with the consent form certifying compliance with 12 U.S.C. 3401 *et seq.*

(b) Procedures used by security regarding matters referenced in paragraph (a) of this section, shall be established on a case-by-case basis and shall be in consonance with the appropriate provisions of 32 CFR part 275.

(c) Financial records obtained under 12 U.S.C. 3401 *et seq.* shall be marked: ''This record was obtained pursuant to the Right to Financial Privacy Act of 1978, 12 U.S.C. 3401 *et seq.*, and may not be transferred to another federal agency or department without prior compliance with the transferring requirements of 12 U.S.C. 3412.'' Except in accordance with paragraph (e) of this section such records shall not be transferred to another agency or department outside the Department of Defense unless the Chief, Security, or delegate certifies in writing that there is reason to believe that the records are relevant to a legitimate law enforcement inquiry within the jurisdiction of the receiving agency or department. Such certificates shall be maintained in the appropriate NSA/CSS security file with copies of the released records.

(d) Unless alternate procedures are involved as referenced in paragraph (b) of this section, when financial records have been transferred to another agency, a security representative shall, within 14 days, personally serve or mail to the individual whose records have been transferred, at his or her last known address, a copy of the certificate required by paragraph (c) of this section, and the following notice: ''Copies of or information contained in your financial records lawfully in possession of the NSA/CSS have been furnished to (name of agency) pursuant to the Right to Financial Privacy Act of 1978 for the following purpose(s): (state reason). If you believe that this transfer has not been made to further a legitimate law enforcement inquiry, you may have legal rights under the Financial Privacy Act of 1978 or the Privacy Act of 1974.''

(e) In cases where another federal agency authorized to conduct foreign intelligence or foreign counterintelligence activities requests a financial record held by the NSA/CSS, and makes such a request for the purpose of conducting that Agency's protective functions, the NSA/CSS may release the information without notifying the individual to whom the financial record pertains.

[46 FR 880, Jan. 5, 1981. Redesignated and amended at 56 FR 64482, Dec. 10, 1991]

§271.4 Reports.

Security shall compile an annual report setting forth the data required in the Right to Financial Privacy Act of 1978. The report shall be submitted to the Defense Privacy Board, Office of the Deputy Assistant Secretary of Defense (Administration), by 15 February annually, and shall be assigned the Report Control Symbol DD–COMP(A) of 1538.

PART 272—ADMINISTRATION AND SUPPORT OF BASIC RESEARCH BY THE DoD

Sec.
272.1 Purpose.
272.2 Definition of basic research.
272.3 Background.
272.4 Principles.
272.5 Policy.
272.6 Implementation.

AUTHORITY: Secs. 2202, 2301–2314, 70A Stat. 127–133; secs. 1–3, 72 Stat. 1793; 5 U.S.C. 301; 10 U.S.C. 2202, 2301–2314, 42 U.S.C. 1891–1893; E.O. 10521 (19 FR 1499, as amended by sec. 6(b), E.O. 10807, 24 FR 1899.

SOURCE: 26 FR 11831, Dec. 9, 1961, unless otherwise noted.

§272.1 Purpose.

This part states the policy of the Department of Defense on the administration and support of basic research.

§272.2 Definition of basic research.

Basic research is that type of research which is directed toward increase of knowledge in science. It is research where the primary aim of the investigator is a fuller understanding of the subject under study.

§272.3 Background.

(a) E.O. 10521, as amended, ''Administration of Scientific Research by Agencies of the Federal Government,'' (19 FR 1499) provides broad guidelines for administration of basic scientific research by Federal agencies. These guidelines state that while the National Science Foundation shall be increasingly responsible for providing Federal support for general purpose basic research, the conduct and support by other Federal agencies of basic research in areas which are closely related to their missions is recognized as important and desirable and shall continue.

(b) The Director of Defense Research and Engineering is responsible to the Secretary of Defense for the review and direction of the basic research program of the military departments and other agencies of the Department of Defense authorized to conduct or support basic research, and shall ensure that this program is executed according to the provisions of E.O. 10521. This review will be of maximum effectiveness if all elements of the Department adhere to the same fundamental principles in their conduct and support of basic research.

§272.4 Principles.

(a) Basic research is essential to the development of military power.

(b) Continuity is essential to successful basic research. Therefore, long-term planning and funding of basic research will be employed to the maximum possible extent.

(c) Basic research may be conducted by competent scientists in universities and non-profit institutions, industry, military laboratories, or elsewhere.

(d) Sustained support of basic research will result in increased effectiveness and economies in military programs.

(e) Free and effective communication among scientists is important to basic research.

§272.5 Policy.

(a) It is the policy of the Department of Defense:

(1) To conduct and support a broad and continuing basic research program to provide fundamental knowledge, with emphasis on that related to the needs of the Department of Defense; and

(2) To assure full utilization of our scientific resources and to extend those resources in those areas of science relevant to the mission of the Department of Defense; and

(3) To maintain, through such a program, effective communication among the scientists of the Department of Defense and the scientists of the universities and industry; and

(4) To coordinate this program of basic research with the National Science Foundation; and

(5) To encourage the support of basic research by other government and private agencies.

§ 272.6 Implementation.

(a) It is the responsibility of the Director of Defense Research and Engineering to produce, on a continuing basis, a sound basic research program through the coordination and integration of the elements of the program among the military departments and other agencies of the Department of Defense authorized to conduct or support basic research.

(b) The Department of Defense provides support of basic research by:

(1) *Support of in-house laboratories.* Basic research in laboratories of the Department of Defense or in laboratories of other government agencies, best qualified for such work in particular areas, should be encouraged.

(2) *Grants to and contracts with educational and nonprofit institutions.* In situations appropriate for grants under the provisions of part 273, of this chapter the grant instrument is the preferred method of supporting basic research by educational and other nonprofit institutions.

(3) *Contract with industry.* Contracts specifically for basic research may be made with industrial contractors (including small businesses) which have a recognized special competence in a given area. In the administration of the provisions of part 15 of this chapter, which relate to the allowability of a contractor's independent research costs under certain Department of Defense contracts, favorable consideration should be given to independent basic research.

(c) The military departments and other agencies of the Department of Defense authorized to conduct or support basic research will provide the Director of Defense Research and Engineering with such information as he may require in order to carry out his responsibilities under this part, including annual reports through established administrative and fiscal channels of the following, by contract or grant and dollar value:

(1) Basic research performed in government laboratories.

(2) Basic research grants to educational and nonprofit institutions.

(3) Basic research contracts to educational and nonprofit institutions.

(4) Basic research contracts to industrial contractors, including small business.

(5) Independent basic research recognized as an allowable cost in an advance agreement under the provisions of part 15 of this chapter. Such costs shall be reported via the Assistant Secretary of Defense (Installations and Logistics).

PART 274—REGULATIONS GOVERNING COMPETITIVE BIDDING ON U.S. GOVERNMENT GUARANTEED MILITARY EXPORT LOAN AGREEMENTS

Sec.

274.1 Purpose.
274.2 Definitions.
274.3 Public notice.
274.4 U.S. guaranty.
274.5 Notice of intent to bid.
274.6 Submission of bids.
274.7 Acceptance of bids.
274.8 Bids-revocations-rejections-postponements.
274.9 Delegation of authority to the Secretary of the Treasury.
274.10 Reservations.

AUTHORITY: Sec. 24, Foreign Military Sales Act (22 U.S.C. 2764) and Executive Order 11501 (34 FR 20169).

SOURCE: 38 FR 858, Jan. 5, 1973, unless otherwise noted.

§ 274.1 Purpose.

The purpose of this memorandum is to prescribe regulations under which the Secretary of Defense or his designee may, from time to time, by public notice, offer financial institutions the opportunity to bid on the interest rates for the subject agreements. The bids made will be subject to the terms, conditions, and procedures herein set forth, except as they may be supplemented in the public notice or notices issued by the Secretary of Defense or his designee in connection with particular offerings.

§274.2 Definitions.

(a) The terms *public notice, notices,* or *announcement* mean the public notice of invitation to bid and any supplementary or amendatory notices or announcements with respect thereto, including, but not limited to, any statement released to the press by the Secretary of Defense or his designee and notices sent to those who have filed notices of intent to bid or who have filed bids.

(b) The term *Loan Agreement* means the proposed agreement between the foreign government and the private U.S. lender as described in the particular notice of Invitation to Bid.

§274.3 Public notice.

(a) Bids hereunder will be invited through a public notice issued by the Secretary of Defense or his designee which will prescribe the amount of the loan for which bids are invited, the repayment schedule, the conditions under which bidders may specify the rate of interest, and the date and closing hour for receipt of bids.

(b) Accompanying the notice will be the form of the Loan Agreement which the successful bidder must execute with the borrower, except for those terms which will be subject to bidding.

§274.4 U.S. guaranty.

Under section 24 of the Foreign Military Sales Act (22 U.S.C. 2764), any individual, corporation, partnership, or other juridical entity (excluding U.S. Government agencies) will be guaranteed against political and credit risks of nonpayment arising out of their financing of credit sales of defense articles and defense services to friendly countries and international organizations. Section 24 explicitly provides that guarantees thereunder are backed by the full faith and credit of the United States. Fees in the amount of one-fourth of 1 percent of the amount of credits agreed upon shall be charged for such guaranties.

§274.5 Notice of intent to bid.

Any individual or organization, syndicates, or other group which intends to submit a bid, must, when required by the notice, give written notice of such intent on the appropriate form at the place and within the time specified in the public notice. Such notice, which shall be given to the Federal Reserve Bank of New York, 33 Liberty Street, New York, NY 10045, will not constitute a commitment to bid.

§274.6 Submission of bids.

(a) *General.* Bids will be received only at the place specified and not later than the time designated in the public notice. Bids shall be irrevocable.

(b) *Interest rates.* Bids must be expressed in terms of rates of interest not to exceed three decimals, for example, 5.125 percent.

(c) *Group bids.* A syndicate or other group submitting a bid must act through a representative who must be a member of the group. The representative must warrant to the Secretary of Defense or his designee, that he has all necessary power and authority to act for each member and to bind the members jointly and severally. In addition to whatever other data may be required by the Secretary of Defense or his designee, in the case of a syndicate, the representative must file, within 1 hour after the time for opening bids, at the place specified in the public notice for receipt of bids a final statement of the composition of the syndicate membership and the amount of each member's underwriting participation.

§274.7 Acceptance of bids.

(a) *Opening bids.* Bids will be opened at the time and place specified in the public notice.

(b) *Acceptance of successful bid.* The Secretary of Defense or his designee will notify any successful bidder of acceptance in the manner and form specified in the public notice.

§274.8 Bids-revocations-rejections-postponements.

The Secretary of Defense or his designee in his discretion, may (a) revoke the public notice of invitation to bid at any time before opening bids, (b) return all bids unopened either at or prior to the time specified for their opening, (c) reject any or all bids, (d) postpone the time for presentation and opening of bids, and (e) waive any immaterial or obvious defect in any bid.

Any action the Secretary of Defense or his designee may take in these respects shall be final. In the event of a postponement, known bidders will be advised thereof and their bids returned unopened.

§ 274.9 Delegation of authority to the Secretary of the Treasury.

There is hereby delegated to the Secretary or Acting Secretary of the Treasury the authority, in the name of and title of the Secretary of the Treasury, to invite bids under this memorandum, to issue, modify and revoke public notices, notices, and announcements concerning such bids, to prescribe additional terms and conditions with respect thereto, consistent with this memorandum, to receive, return, open, reject, and accept bids, and to take such other actions as may be necessary and proper to execute this delegation of authority to implement this memorandum, excluding, however, the issuance of guaranties under § 274.4.

§ 274.10 Reservations.

The Secretary of Defense reserves the right, at any time, or from time to time, to amend, repeal, supplement, revise or withdraw all or any of the provisions of this memorandum.

PART 275—OBTAINING INFORMATION FROM FINANCIAL INSTITUTIONS: RIGHTS TO FINANCIAL PRIVACY ACT OF 1978

Sec.

275.1 Purpose.
275.2 Applicability and scope.
275.3 Policy.
275.4 Information requirements.
275.5 Responsibilities.
275.6 Definitions.
275.7 Requesting basic identifying account information.
275.8 Procedures for obtaining customer's consent.
275.9 Other access procedures.
275.10 Requests for financial records in connection with foreign intelligence and foreign counterintelligence activities.
275.11 Emergency access procedures.
275.12 Procedures for delay of notice.
275.13 Procedures for releasing information obtained from financial institutions.
275.14 Right to Financial Privacy Act of 1978 Annual Report.
ENCLOSURE 1—REQUEST FOR BASIC IDENTIFYING ACCOUNT DATA FORMAT
ENCLOSURE 2—CUSTOMER CONSENT AND AUTHORIZATION FOR ACCESS FORMAT
ENCLOSURE 3—FORMAL WRITTEN REQUEST FOR ACCESS FORMAT
ENCLOSURE 4—CERTIFICATE OF COMPLIANCE WITH THE RIGHT TO FINANCIAL PRIVACY ACT OF 1978
ENCLOSURE 5—OBTAINING ACCESS TO FINANCIAL RECORDS OVERSEAS

AUTHORITY: 92 Stat. 3697 et seq. (12 U.S.C. 3401, et seq.)

SOURCE: 45 FR 17576, Mar. 19, 1980, unless otherwise noted. Redesignated at 56 FR 57984, Nov. 15, 1991.

§ 275.1 Purpose.

This part implements Title 12, U.S.C. section 3401, et seq., Pub. L. 95–630, ''Right to Financial Privacy Act of 1978,'' and prescribes the procedures for the Department of Defense to use to gain access to financial records maintained by financial institutions.

§ 275.2 Applicability and scope.

(a) The provisions of this part apply to the Office of the Secretary of Defense, the Military Departments, the Defense Investigative Service, and the National Security Agency (hereafter referred to as the ''DoD Components'').

(b) Its provisions apply only to financial records maintained by financial institutions as defined in § 275.6(a).

[45 FR 17576, Mar. 19, 1980. Redesignated and amended at 56 FR 57984, Nov. 15, 1991]

§ 275.3 Policy.

(a) It is the policy of the Department of Defense when obtaining financial records from a financial institution to seek the consent of the customer to whom the record pertains, unless doing so compromises or harmfully delays a legitimate law enforcement inquiry. If the person declines to consent to disclosure, the alternative means of obtaining the records authorized by this part shall be utilized.

(b) The provisions of 12 U.S.C. 3401 et seq. do not govern obtaining access to financial records maintained by military banking contractors located outside of the United States, the District of Columbia, Guam, American Samoa, or the Virgin Islands. The procedures outlined in enclosure 5 may be followed

in obtaining financial information from these facilities.

[45 FR 17576, Mar. 19, 1980, as amended at 46 FR 29706, June 3, 1981]

§275.4 Information requirements.

The report required by §275.14 of this part is assigned Report Control Symbol DD–COMP(A)1538.

[45 FR 17576, Mar. 19, 1980. Redesignated and amended at 56 FR 57984, Nov. 15, 1991]

§275.5 Responsibilities.

(a) *Heads* of affected *DoD Components* shall:

(1) Follow the procedures outlined in this part when seeking access to financial records.

(2) Establish procedures for implementing this part within the Component.

(3) Established procedures to ensure that the report required by §275.14 is forwarded to the Defense Privacy Board, Office of the Deputy Assistant Secretary of Defense (Administration).

(b) The *Deputy Assistant Secretary of Defense (Administration),* or designee, shall:

(1) Prepare a consolidated DoD annual report required by 12 U.S.C. 3421(b) and §275.14.

(2) Provide policy guidance to DoD Components to implement this part.

[45 FR 17576, Mar. 19, 1980. Redesignated and amended at 56 FR 57984, Nov. 15, 1991]

§275.6 Definitions.

(a) *Financial institution.* Any office of a bank, savings bank, credit card issuer, industrial loan company, trust company, savings and loan, building and loan, homestead association (including cooperative banks), credit union, or consumer finance institution that is located in any State or territory of the United States, or in the District of Columbia, Puerto Rico, Guam, American Samoa, or the Virgin Islands.

(b) *Financial record.* An original, its copy, or information known to have been extracted from the original record held by a financial institution that pertains to a customer's relationship with the financial institution.

(c) *Person.* An individual or a partnership of five or less individuals.

(d) *Customer.* Any person or authorized representative of that person who used or is using any service of a financial institution or for whom a financial institution is acting or has acted as fiduciary for an account maintained in the name of that person.

(e) *Law enforcement office.* Any element of a DoD Component authorized by the Component head to conduct law enforcement inquiries.

(f) *Law enforcement inquiry.* A lawful investigation or official proceeding that inquires into a violation of or failure to comply with a criminal or civil statute, or any rule, regulation, or order issued pursuant thereto.

(g) *Personnel security investigation.* An investigation required to determine a person's eligibility for access to classified information, assignment or retention in sensitive duties, or other designated duties requiring such investigation. Personnel security investigations include investigations of subversive affiliations, suitability information, or hostage situations conducted for the purpose of making personnel security determinations; and also include investigations of allegations that arise subsequent to adjudicative action that require resolution to determine an individual's current eligibility for access to classified information, or assignment or retention in a sensitive position.

(h) *Personnel security element.* Any element of a DoD Component authorized by the Secretary of Defense to conduct personnel security investigations.

§275.7 Requesting basic identifying account information.

(a) A DoD law enforcement office may issue a formal written request for basic identifying account information to a financial institution relevant to a legitimate law enforcement inquiry. A request may be issued to a financial institution for any or all of the following identifying data:

(1) Name.

(2) Address.

(3) Account Number.

(4) Type of account of any customer or ascertainable group of customers associated with a financial transaction or class of financial transactions.

(b) A request for disclosure of the above specified basic identifying information concerning a customer's account shall not require any customer notice (§§ 275.9, 275.11, and 275.13), challenge (§ 275.9) or transfer (§ 275.13) procedures. However, this partial exception for basic identifying data shall not alter the mandatory access requirements set forth in §§ 275.8 and 275.9 to obtain the actual financial record itself.

(c) A format for requesting basic identifying account data is set forth in enclosure 1 of this part.

[45 FR 17576, Mar. 19, 1980. Redesignated and amended at 56 FR 57984, Nov. 15, 1991]

§ 275.8 Procedures for obtaining customer's consent.

(a) A DoD law enforcement office or personnel security element seeking access to a person's financial records shall, when feasible, obtain the customer's consent.

(b) Any consent obtained under § 275.8(a) shall:

(1) Be in writing, signed, and dated.

(2) Identify the particular financial records that are being disclosed.

(3) State that the customer may revoke the consent at any time before disclosure.

(4) Specify the purpose for disclosure and to which agency the records may be disclosed.

(5) Authorize the disclosure for a period not in excess of 3 months.

(6) Contain a Privacy Act advisory statement required by part 286a of this title for a personnel security investigation.

(7) Contain a ''Statement of Customer Rights Under the Right to Financial Privacy Act of 1978'' (enclosure 2).

(c) Any customer's consent not containing all of the elements listed in § 275.8(b), shall be void. A customer consent form, in a format set forth in enclosure 2, shall be used for this purpose.

(d) A copy of the customer's consent shall be made a part of the law enforcement inquiry or personnel security investigation file.

(e) A certification of compliance with 12 U.S.C. 3401 et seq., in writing (enclosure 4), along with the customer's consent, shall be provided to the financial institution as a prerequisite to obtaining access to financial records.

(f) The annual reporting requirements of § 275.14 shall apply to any request for access under § 275.8(a).

[45 FR 17576, Mar. 19, 1980. Redesignated and amended at 56 FR 57984, Nov. 15, 1991]

§ 275.9 Other access procedures.

(a) *Access by compulsory legal process*—(1) *Administrative summons or subpoena.* (i) Within the Department of Defense, the Inspector General, DoD, has the authority under Pub. L. 95–452 (The Inspector General Act of 1978, as amended by Pub. L. 97–252) to issue administrative subpoenas for access to financial records. No other DoD Component official may issue summonses or subpoenas for access to these records.

(ii) The Inspector General, DoD, shall issue administrative procedures for access to financial records in accordance with established procedures.

(2) *Search warrant.* (i) A law enforcement office may obtain financial records by using a search warrant obtained under Rule 41 of the Federal Rules of Criminal Procedure in appropriate cases.

(ii) Unless a delay of notice has been obtained under provisions of § 275.12, the law enforcement office shall, no later than 90 days after serving the search warrant, mail to the customer's last known address a copy of the search warrant together with the following notice:

> Records or information concerning your transactions held by the financial institution named in the attached search warrant were obtained by this [agency or department] on [date] for the following purpose: [state purpose]. you may have rights under the Right to Financial Privacy Act of 1978.

(iii) In any state or territory of the United States, or in the District of Columbia, Puerto Rico, Guam, American Samoa, or the Virgin Islands, search warrants signed by installation commanders or military judges shall not be used to gain access to financial records.

(3) *Judicial subpoena.* Judicial subpoenas are those issued in connection with a pending judicial proceeding and inlcude subpoenas issued under paragraph 115 of the Manual for Courts-

Martial (1969 Revised) and Article 46 of the Uniform Code of Military Justice. Cognizant legal counsel shall be consulted on the availability and use of judicial subpoenas.

(b) *Formal written request.* (1) A law enforcement office may issue a formal written request for financial records when the records sought are relevant to a legitimate law enforcement inquiry. This request may be issued only if the customer has declined to consent, §275.8, to the disclosure of his or her records, or if it is determined that to seek consent from the customer would compromise or harmfully delay a legitimate law enforcement inquiry.

(2) A formal written request shall be in a format set forth in enclosure 3 and shall:

(i) State that the request is issued under the Right to Financial Privacy Act of 1978 and the Component's implementation of this part.

(ii) Describe the specific records to be examined.

(iii) State that access is sought in connection with a legitimate law enforcement inquiry.

(iv) Describe the nature of the inquiry.

(v) Be signed by the head of the law enforcement office or a designee.

(3) When a formal written request is issued to a financial institution, a copy of the request shall, at the same time or before, be personally served upon, or mailed to the customer's last known address unless a delay of customer notice has been obtained under §275.12. The notice to the customer shall be in a format similar to enclosure shall be personally served at least 14 days or mailed at least 18 days prior to the date on which access is sought.

(4) The official who signs the customer notice shall be designated to receive any challenge from the customer.

(5) The customer shall have 14 days to challenge a notice request when personal service is made and 18 days when service is by mail.

(6) Components shall establish procedures to ensure that no access to financial records is attempted before the expiration of the pertinent time period while awaiting receipt of a potential customer challenge, or prior to the adjudication, prescribed by 12 U.S.C. 3410, of any challenge made.

(7) When a customer fails to file a challenge to access to financial records within the pertinent above time periods, or after a challenge is adjudicated in favor of the law enforcement office, the head of the office, or a designee, shall certify in writing to the financial institution that such office has complied with the requirements of 12 U.S.C. 3401 et seq. No access to any financial records shall be made before such certification is given.

(c) *Certification.* Prior to obtaining the requested records under §275.9 (a)(2) and (a)(3), a certification of compliance with 12 U.S.C. 3401 et seq. and Enclosure 4 of this part, shall be provided to the financial institution as a prerequisite to obtaining access to financial records.

(d) *Annual report.* The annual reporting requirements of §275.14 shall apply to access procedures under paragraph (a) and (b) of this section.

[45 FR 17576, Mar. 19, 1980, as amended at 48 FR 20228, May 5, 1983. Redesignated and amended at 56 FR 57984, Nov. 15, 1991]

§275.10 Requests for financial records in connection with foreign intelligence and foreign counterintelligence activities.

(a) Except as specified in paragraph (b) of this section, nothing in this part shall apply to requests for financial records in connection with authorized foreign intelligence and foreign counterintelligence activities as defined in E.O. 12036, January 24, 1978.

(b) When a request for financial records is made under paragraph (a) of this section, a Component official designated by the Secretary of Defense, the Secretary of a Military Department, or the Head of the DoD Component authorized to conduct foreign intelligence and foreign counterintelligence activities shall certify to the financial institution that the requesting Component has complied with the provisions of 12 U.S.C. 3401 et seq. Such certification, in a format similar to enclosure 4 of this part, shall be made before obtaining any records.

(c) A Component requesting financial records under paragraph (a) of this section, may notify the financial institution from which records are sought that section 3414(3) of 12 U.S.C., prohibits disclosure to any person by the institution, its agents, or employees that financial records have been sought or obtained.

(d) The annual reporting requirements of § 275.14 shall apply to any request for access under paragraph (a) of this section.

[45 FR 17576, Mar. 19, 1980. Redesignated and amended at 56 FR 57984, Nov. 15, 1991]

§ 275.11 Emergency access procedures.

(a) Except as provided in paragraph (b) and (c) of this section, nothing in this part shall apply to a request for financial records from a financial institution when the law enforcement office making such request determines that a delay in obtaining access to such records would create an imminent danger of:

(1) Physical injury to any person.

(2) Serious property damage.

(3) Flight to avoid prosecution.

(b) When access is made to financial records under paragraph (a) of this section, Component official designated by the Secretary of Defense or the Secretary of a Military Department shall:

(1) Certify in writing, in a format set forth in Enclosure 4 of this part, to the financial institution that the Component has complied with the provisions of 12 U.S.C. 3401 et seq., as a prerequisite to obtaining access.

(2) Submit for filing with the appropriate court a signed sworn statement setting forth the grounds for the emergency access within 5 days of obtaining access to financial records.

(c) After filing of the signed sworn statement required by paragraph (b)(2) of this section, the Component that has obtained access to financial records under paragraph (a) of this section, shall personally serve or mail to the customer a copy of the request to the financial institution and the following notice, unless a delay of notice has been obtained under § 275.12.

Records concerning your transactions held by the financial institution named in the attached request were obtained by [agency or department] under the Right to Financial Privacy Act of 1978 on [date] for the following purpose: [state with reasonable specificity the nature of the law enforcement inquiry]. Emergency access to such records was obtained on the grounds that [state grounds].

Mailings under this paragraph shall be by certified or registered mail to the last known address of the customer.

(d) The annual reporting requirements of § 275.14 shall apply to any access pursuant to paragraph (a) of this section.

[45 FR 17576, Mar. 19, 1980. Redesignated and amended at 56 FR 57984, Nov. 15, 1991]

§ 275.12 Procedures for delay of notice.

(a) The customer notice required by § 275.9(b)(3), § 275.11(c), or § 275.13(c) may be delayed for successive periods of 90 days. The notice required by paragraph (a)(2)(ii) of this section may be delayed for one period of 180 days and successive periods of 90 days. A delay of notice may only be granted by a court of competent jurisdiction and only when not serving the notice would result in:

(1) Endangering the life or physical safety of any person.

(2) Flight from prosecution.

(3) Destruction of or tampering with evidence.

(4) Intimidation of potential witnesses.

(5) Otherwise seriously jeopardizing an investigation or official proceeding or unduly delaying a trial or ongoing official proceeding to the same degree as the circumstances in paragraphs (a)(1) through (4) of this section.

(b) When a delay of notice is appropriate, legal counsel shall be consulted to obtain such a delay. Application for delays of notice shall be made with reasonable specificity.

(c) Upon the expiration of a delay obtained under paragraph (a) of this section, of a notice required by:

(1) Section 275.9(a)(2)(ii), the law enforcement office obtaining such records shall mail to the customer a copy of the search warrant and the following notice:

Records or information concerning your transactions held by the financial institution named in the attached search warrant

were obtained by this [agency or department] on [date]. Notification was delayed beyond the statutory 90-day delay period pursuant to a determination by the court that such notice would seriously jeopardize an investigation concerning [state with reasonable specificity]. You may have rights under the Right to Financial Privacy Act of 1978.

(2) Section 275.9(b)(3), the law enforcement office obtaining such records shall serve personally or mail to the customer a copy of the process or request and the following notice:

Records of information concerning your transactions which are held by the financial institution named in the attached process or request were supplied to or requested by the Government authority named in the process or request on [date]. Notification was withheld pursuant to a determination by the [title of the court so ordering] under the Right to Financial Privacy Act of 1978 that such notice might [state reason]. The purpose of the investigation or official proceeding was [state purpose with reasonable specificity].

(3) Section 275.11(c), the law enforcement office obtaining financial records shall serve personally or mail to the customer a copy of the request and the notice required by §275.11(c).

(4) Section 275.13(c), the law enforcement office or personnel security element transferring such records shall serve personally or mail to the customer the notice required by §275.13(c).

(d) The annual reporting requirements of §275.14 shall apply to any request for access under the delay of notice.

[45 FR 17576, Mar. 19, 1980. Redesignated and amended at 56 FR 57984, Nov. 15, 1991]

§275.13 Procedures for releasing information obtained from financial institutions.

(a) Financial records obtained under 12 U.S.C. 3401 et seq., shall be marked:

This record was obtained pursuant to the Right to Financial Privacy Act of 1978, 12 U.S.C. 3401 et seq., and may not be transferred to another federal agency or department without prior compliance with the transferring requirements of 12 U.S.C. 3412.

(b) Financial records obtained under the provisions of 12 U.S.C. 3401 et seq., shall not be transferred to another agency or department outside the Department of Defense unless the head of the transferring law enforcement office, personnel security element, or delegate certifies in writing that there is reason to believe that the records are relevant to a legitimate law enforcement inquiry within the jurisdiction of the receiving agency or department. Such certificates shall be maintained with the DoD Component copy of the released records.

(c) Unless a delay of customer notice has been obtained under §275.12, when financial information is transferred under paragraph (b) of this section the law enforcement office or personnel security element shall within 14 days, personally serve or mail to the customer, at his or her last known address, a copy of the certificate required by paragraph (b) of this section, and the following notice:

Copies of or information contained in your financial records lawfully in possession of (name of Component) have been furnished to (name of agency) pursuant to the Right to Financial Privacy Act of 1978 for the following purposes: [state the nature of the law enforcement inquiry with reasonable specificity]. If you believe that this transfer has not been made to further a legitimate law enforcement inquiry, you may have legal rights under the Financial Privacy Act of 1978 or the Privacy Act of 1974.

(d) If a request for release of information is from a federal agency authorized to conduct foreign intelligence or foreign counterintelligence activities, as defined in E.O. 12036 for purposes of conducting such activities, the transferring DoD Component shall release the information without notifying the customer, unless permission to provide notification is given in writing by the requesting agency.

(e) Whenever financial data obtained under this part is incorporated into a report of investigation or other correspondence, precautions must be taken to ensure that:

(1) The reports or correspondence are not distributed outside the Department of Defense except in compliance with paragraphs (b) and (c) of this section; and

(2) The report or correspondence contains an appropriate warning restriction on the first page or cover.

(f) A suggested restrictive legend for use on the first page or cover sheet of reports or other correspondence follows:

Some of the information contained herein (cite specific paragraph) is financial record information which was obtained pursuant to the Right to Privacy Act of 1978, 12 U.S.C. 3401 et seq. This information may not be released to another federal agency or department outside the Department of Defense without compliance with the specific requirements of 12 U.S.C. 3412.

[45 FR 17576, Mar. 19, 1980, as amended at 46 FR 29706, June 3, 1981. Redesignated and amended at 56 FR 57984, Nov. 15, 1991]

§ 275.14 Right to Financial Privacy Act of 1978 Annual Report.

(a) Each affected DoD Component shall compile an annual report setting forth the following for the preceding calendar year:

(1) The number of requests for access to financial institutions specifying the types of access and any other information deemed relevant or useful.

(2) The number of customer challenges to access and whether they were successful.

(3) The number of transfers to agencies outside of the Department of Defense of information obtained under this part.

(4) The number of customers challenges to the transfer of information and whether they were successful.

(5) The number of applications for delay of notice, the number granted, and the names of the officials requesting such delays.

(6) The number of delay of notice extensions sought and the number granted.

(7) The number of refusals by financial institutions to grant access by category of authorization, such as, customer consent or formal written request.

(b) This report shall be submitted to the Defense Privacy Board, Office of the Deputy Assistant Secretary of Defense (Administration), by February 15 annually.

ENCLOSURE 1—REQUEST FOR BASIC IDENTIFYING ACCOUNT DATA FORMAT

[Official Letterhead]

Mr./Mrs. _____,
Chief Teller (as appropriate), First National Bank, Little Rock, AR 72203

Dear Mr./Mrs. _____. In connection with a legitimate law enforcement inquiry and pursuant to section 3413(g) of the Right to Financial Privacy Act of 1978, 12 U.S.C. 3401 et seq., you are requested to provide the following account information: [Name, address, account number, and type of account of any customer or ascertainable group of customers associated with a certain class of financial transactions as set forth in § 275.7.]

I hereby certify, pursuant to section 3403(b) of the Right of Financial Privacy Act of 1978, that the provisions of the Act have been complied with as to this request for account information.

[Official Signature Block]

Under section 3417(c) of the Act, good faith reliance upon this certification relieves your institution and its employees and agents of any possible liability to the subject in connection with the disclosure of the requested financial records.

[46 FR 29706, June 3, 1981. Redesignated and amended at 56 FR 57984, Nov. 15, 1991]

ENCLOSURE 2—CUSTOMER CONSENT AND AUTHORIZATION FOR ACCESS FORMAT

Pursuant to section 3404(a) of the Right to Financial Privacy Act of 1978, I, [Name of customer], having read the explanation of my rights on the reverse side, hereby authorize the [Name and address of financial institution] to disclose these financial records: [List the particular financial records] to [DoD Component] for the following purpose(s): [Specify the purpose(s)].

I understand that this authorization may be revoked by me in writing at any time before my records, as described above, are disclosed, and that this authorization is valid for no more than three months from the date of my signature.

Date: _____

Signature: _____

[Typed name]

[Mailing address of customer]

Statement of Customer Rights Under the Right to Financial Privacy Act of 1978

Federal law protects the privacy of your financial records. Before banks, savings and loan associations, credit unions, credit card issuers, or other financial institutions may give financial information about you to a federal agency, certain procedures must be followed.

Consent to Financial Records

You may be asked to consent to the financial institution making your financial records available to the Government. You may withhold your consent, and your consent is not required as a condition of doing business with any financial institution. If you give your consent, it can be revoked in writing at any time before your records are disclosed.

Furthermore, any consent you give is effective for only three months, and your financial institution must keep a record of the instances in which it discloses your financial information.

Without Your Consent

Without your consent, a federal agency that wants to see your financial records may do so ordinarily only by means of a lawful subpoena, summons, formal written request, or search warrant for that purpose. Generally, the federal agency must give you advance notice of its request for your records explaining why the information is being sought and telling you how to object in court. The federal agency must also send you copies of court documents to be prepared by you with instructions for filling them out. While these procedures will be kept as simple as possible, you may want to consult an attorney before making a challenge to a federal agency's request.

Exceptions

In some circumstances, a federal agency may obtain financial information about you without advance notice or your consent. In most of these cases, the federal agency will be required to go to court for permission to obtain your records without giving you notice beforehand. In these instances, the court will make the Government show that its investigation and request for your records are proper.

When the reason for the delay of notice no longer exists, you will usually be notified that your records were obtained.

Transfer of Information

Generally, a federal agency that obtains your financial records is prohibited from transferring them to another federal agency unless it certifies in writing that the transfer is proper and sends a notice to you that your records have been sent to another agency.

Penalties

If the federal agency or financial institution violates the Right to Financial Privacy Act, you may sue for damages or seek compliance with the law. If you win, you may be repaid your attorney's fee and costs.

Additional Information

If you have any questions about your rights under this law, or about how to consent to release your financial records, please call the official whose name and telephone number appears below:

_____

(Last Name, First Name, Middle Initial) Title (Area Code) (Telephone number)

_____

(Component activity, Local Mailing Address)

[46 FR 29706, June 3, 1981. Redesignated at 56 FR 57984, Nov. 15, 1991]

ENCLOSURE 3—FORMAL WRITTEN REQUEST FOR ACCESS FORMAT

[Official Letterhead]

Mr./Mrs. _____,
President (as appropriate), City National Bank and Trust Company, Altoona, PA

Dear Mr./Mrs. _____. In connection with a legitimate law enforcement inquiry and pursuant to section 3402(5) and section 3408 of the Right to Financial Privacy Act of 1978, 12 U.S.C. 3401 et seq., and [cite Component's implementation of this part], you are requested to provide the following account information pertaining to the subject:

[Describe the specific records to be examined]

The [DoD Component] is without authority to issue an administrative summons or subpoena for access to these financial records which are required for [Describe the nature or purpose of the inquiry].

A copy of this request was [personally served upon or mailed] to the subject on [Date] who has [10 or 14] days in which to challenge this request by filing an application in an appropriate United States district court if the subject desires to do so.

Upon the expiration of the above mentioned time period and absent any filing or challenge by the subject, you will be furnished a certification certifying in writing that the applicable provisions of the Act have been complied with prior to obtaining the requested records. Upon your receipt of a Certificate of Compliance with the Right to Financial Privacy Act of 1978, you will be relieved of any possible liability to the subject in connection with the disclosure of the requested financial records.

[Official Signature Block]

[46 FR 29706, June 3, 1981. Redesignated at 56 FR 57984, Nov. 15, 1991]

ENCLOSURE 4—CERTIFICATE OF COMPLIANCE WITH THE RIGHT TO FINANCIAL PRIVACY ACT OF 1978

[Official Letterhead]

Mr./Mrs. _____,
Manager, Army Federal Credit Union, Fort Ord, CA 93941

Dear Mr./Mrs. _____. I certify, pursuant to section 3403(b) of the Right to Financial Privacy Act of 1978, 12 U.S.C. 3401 et seq., that the applicable provisions of that statute have been complied with as to the [Customer's consent, search warrant or judicial subpoena, formal written request, emergency access, as applicable] presented on [Date],

for the following financial records of [Customer's name]:

[Describe the specific records]

[Official Signature Block]

Pursuant to section 3417(c) of the Right to Financial Privacy Act of 1978, good faith reliance upon this certificate relieves your institution and its employees and agents of any possible liability to the customer in connection with the disclosure of these financial records.

[46 FR 29706, June 3, 1981. Redesignated at 56 FR 57984, Nov. 15, 1991]

ENCLOSURE 5—OBTAINING ACCESS TO FINANCIAL RECORDS OVERSEAS

(a) The provisions of 12 U.S.C. 3401 et seq. do not govern obtaining access to financial records maintained by military banking contractors in overseas or other financial institutions in offices located on DoD installations outside the United States, the District of Columbia, Guam, American Samoa, or the Virgin Islands. The purpose of this part is to describe a uniform procedure for access to the financial records of these institutions.

(b) Access to financial records maintained by military banking contractors in overseas areas or other financial institutions located on DoD installations outside the United States, the District of Columbia, Guam, American Samoa or the Virgin Islands is preferably obtained by customer consent. However, in those cases where it would not be appropriate to obtain this consent or where such consent is refused and the financial institution is not otherwise willing to provide access to its records the law enforcement activity may seek access by the use of a search authorization issued by the appropriate military official. This search authorization shall be issued in accordance with established Component procedures and the Military Rules of Evidence.

(c) Information obtained under this enclosure shall be properly identified as financial information and transferred only where an official need-to-know exists. Failure to identify or limit access in accordance with this paragraph does not render the information inadmissible in courts-martial or other proceedings.

(d) Access to financial records maintained by all other financial institutions overseas by law enforcement activities shall be in accordance with the local foreign statutes or procedures governing such access.

[46 FR 29706, June 3, 1981. Redesignated at 56 FR 57984, Nov. 15, 1991]

PART 277—IMPLEMENTATION OF THE PROGRAM FRAUD CIVIL REMEDIES ACT

Sec.
277.1 Purpose.
277.2 Applicability.
277.3 Policy.
277.4 Responsibilities.

APPENDIX TO PART 277—PROGRAM FRAUD CIVIL REMEDIES

AUTHORITY: 31 U.S.C. 3807.

SOURCE: 53 FR 39262, Oct. 6, 1988, unless otherwise noted.

§ 277.1 Purpose.

This part establishes uniform policies, assigns responsibilities, and prescribes procedures for implementation of Pub. L. 99–509.

§ 277.2 Applicability.

This part applies to the Office of the Secretary of Defense (OSD); the Military Departments; the Office of the Inspector General, Department of Defense (OIG, DoD); the Defense Agencies; and the DoD Field Activities (hereafter referred to collectively as ''DoD Components'').

§ 277.3 Policy.

It is DoD policy to redress fraud in DoD programs and operations through the nonexclusive use of Pub. L. 99–509. All DoD Components shall comply with the requirements of this part in using this new remedy. Changes or modifications to this part by implementing organizations are prohibited. Implementing regulations are authorized only to the extent necessary to effectively carry out the requirements of this part.

§ 277.4 Responsibilities.

(a) The *Inspector General, Department of Defense* (IG, DoD), shall establish procedures for carrying out the duties and responsibilities of the ''investigating official'' as outlined in the appendix of this part.

(b) The *General Counsel, Department of Defense* (GC, DoD), shall:

(1) Establish procedures for carrying out the duties and responsibilities of

the authority head, Department of Defense, which have been delegated to the GC, DoD, as set forth in appendix of this part.

(2) Establish procedures for carrying out the duties and responsibilities for appointment and support of presiding officers, as set forth in appendix of this part; and

(3) Review and approve the regulations and instructions required by this section to be submitted for approval by the GC, DoD.

(c) The *Secretaries of the Military Departments* shall:

(1) Establish procedures for carrying out the duties and responsibilities of the ''authority head'' and of the ''reviewing officials'' for their respective Departments, and for obtaining and supporting presiding officers from other Agencies as specified in Office of Personnel Management (OPM) regulations; (see appendix of this part).

(2) Make all regulations or instructions promulgated subject to the approval of the GC, DoD; and

(3) Delegate duties as appropriate.

(d) The *General Counsel of the National Security Agency* (GC, NSA) and the *General Counsel of the Defense Logistics Agency* (GC, DLA) shall be responsible for establishing procedures for carrying out the duties and responsibilities of the reviewing officials that have been delegated to them, as stated in appendix of this part. All Regulations or Instructions promulgated pursuant to this part shall be submitted to the GC, DoD.

APPENDIX TO PART 277—PROGRAM FRAUD CIVIL REMEDIES

A. Scope and Purpose

1. The Department of Defense has the authority to impose 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.

2. This appendix:

a. Establishes administrative policies and 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;

b. Specifies the hearing and appeal rights of persons subject to allegations of liability for such penalties and assessments.

3. The uniform policies and procedures established by this enclosure are binding on the authorities and authority heads in the Department of Defense and Military Departments. Additional administrative regulations necessary to carry out the requirements of the PFCRA and this part may be written by the authority heads. Any such regulations shall be consistent with the provisions of this appendix.

B. Definitions

1. Adequate Evidence

Information sufficient to support the reasonable belief that a particular act or omission has occurred.

2. Authority

a. The Department of Defense, which includes OSD, Organization of the Joint Chiefs of Staff (OJCS), Unified and Specified Commands, Defense Agencies, and DoD Field Activities.

b. The Department of the Army.

c. The Department of the Navy.

d. The Department of the Air Force.

3. Authority Head

a. For the Department of Defense, the Deputy Secretary of the Department of Defense or an official or employee of the Department of Defense or the Military Departments designated in writing by the Deputy Secretary of Defense.

b. For the respective Military Departments, the Secretary of the Military Department or an official or employee of the Military Department designated in regulations promulgated by the Secretary to act on behalf of the Secretary.

4. Benefit

In the context of statements, anything of value, including but not limited to any advantage, preference, privilege, license, permit, favorable decision, ruling status, or loan guarantee.

5. Claim

Any request, demand, or submission made as follows:

a. To the authority for property, services, or money (including money representing grants, loans, insurance, or benefits);

b. 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:

(a) Provided such property or services;

(b) Provided any portion of the funds for the purchase of such property or services; or

(c) 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:

(a) Provided any portion of the money requested or demanded; or

(b) Will reimburse such recipient or party for any portion of the money paid on such request or demand; or

(3) Made to the authority that has the effect of decreasing an obligation to pay or account for property, services, or money.

6. Complaint

The administrative complaint served by the reviewing official on the defendant under section G., below.

7. Defendant

Any person alleged in a complaint under section G., below, to be liable for a civil penalty or assessment under Section C., below.

8. DoD Criminal Investigative Organizations

The U.S. Army Criminal Investigative Command, Naval Security and Investigative Command, U.S. Air Force Office of Special Investigations, and the Defense Criminal Investigative Service.

9. Government

The U.S. Government.

10. Individual

A natural person.

11. Initial Decision

The Written decision of the presiding officer required by section J. or KK., below. This includes a revised initial decision issued following a remand or a motion of reconsideration.

12. Investigating Official

a. The IG, DoD; or

b. An officer or employee of the OIG designated by the IG;

c. Who, if a member of the Armed Forces of the United States on active duty, is serving in Grade 0–7 or above or, if a civilian employee, is serving in a position for which the rate of basic pay is not less than the minimum rate of basic pay for Grade GS–16 under the General Schedule.

13. Knows or Has Reason to Know

A person who, with respect to a claim or statement:

a. Has actual knowledge that the claim or statement is false, fictitious, or fraudulent;

b. Acts in deliberate ignorance of the truth or falsity of the claim or statement; or

c. Acts in reckless disregard of the truth or falsity of the claim or statement.

14. Makes

Includes the terms presents, submits, and causes to be made, presented, or submitted. As the context requires, making or made shall likewise include the corresponding forms of such terms.

15. Person

Any individual, partnership, corporation, association or private organization, and includes the plural of that term.

16. Preponderance of the Evidence

The evidence necessary to support a presiding officer's decision that a violation of the PFCRA has occurred. Evidence that leads to the belief that what is sought to be proved is more likely true than not true.

17. Presiding Officer

An officer or employee of the Department of Defense or an employee detailed to the Department of Defense from another agency who:

a. Is selected under 5 U.S.C., chapter 33, pursuant to the competitive examination process applicable to administrative law judges;

b. Is appointed by the authority head of DoD to conduct hearings under this part for cases arising in the Department of Defense or the Military Departments;

c. Is assigned to cases in rotation so far as practicable;

d. May not perform duties inconsistent with the duties and responsibilities of a presiding officer;

e. Is entitled to pay prescribed by the Office of Personnel Management (OPM) independently of ratings and recommendations made by the authority and in accordance with 5 U.S.C., chapters 51 and 53, subchapter III;

f. Is not subject to a performance appraisal pursuant to 5 U.S.C., chapter 43; and

g. May be removed, suspended, furloughed, or reduced in grade or pay only for good cause established and determined by the Merit Systems Protection Board (MSPB) on the record after opportunity for hearing by such Board.

18. Repesentative

An Attorney-at-law duly licensed in any State, commonwealth, territory, the District of Columbia, or foreign country, who enters his or her appearance in writing to represent a party in a proceeding under this part, or an officer, director, or employee of a defendant or of its affiliate.

19. Reviewing Official

a. In all cases arising in the Department of Defense and any of the Military Departments, the reviewing official shall be an officer or employee of an authority as follows:

(1) Who is designated by the authority head to make the determination required under section E., below, of this enclosure;

(2) Who, if a member of the Armed Forces of the United States on active duty, is serving in Grade 0–7 or above or, if a civilian employee, is serving in a position for which the rate of basic pay is not less than the minimum rate of basic pay for Grade GS–16 under the General Schedule; and

(3) Who is as follows:

(a) Not subject to supervision by, or required to report to, the investigating official;

(b) Not employed in the organizational unit of the authority in which the investigating official is employed; and

(c) Not an official designated to make suspension or debarment decisions.

b. The General Counsel, Defense Logistics Agency (GC, DLA), shall be the reviewing official for all cases involving a claim or statement made to the DLA or any other part of the Department of Defense other than a Military Department or the National Security Agency (NSA). The General Counsel, National Security Agency (GC, NSA), shall be the reviewing official for all cases involving claims or statements made to that Agency. The General Counsel, Defense Logistics Agency (GC, DLA), and GC, NSA, may redelegate their authority to act as reviewing officials to any individual(s) meeting the criteria set out in subparagraph (1) of this section.

c. The authority head of each Military Department shall select a reviewing official, who shall review all cases involving a claim or statement that was made to their Department.

20. Statement

Any written repesentation, certification, affirmation, document, record, accounting, or bookkeeping entry made:

a. With respect to a claim or to obtain the approval or payment of a claim (including relating to eligibility to make a claim); or

b. With respect to (including relating to eligibility for):

(1) A contract with, or a bid or proposal for a contract with; or

(2) A grant, loan, or benefit from the authority, or any State, political subdivision of a State, or other party; if the U.S. Government provides any portion of the money or property under such contract or for such grant, loan, or benefit, or if the U.S. Government will reimburse such State, political subdivision, or party for any portion of the money or property under such contract or for such grant, loan, or benefit.

C. Basis for Civil Penalties and Assessments

1. Claims

a. Any person who makes a claim that the person knows or has reason to know:

(1) Is false, fictitious, or fraudulent;

(2) Includes or is supported by a written statement that asserts a material fact that is false, fictitious, or fraudulent;

(3) 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

(4) Is for payment for the provision of property or services that the person had 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.

b. Each voucher, invoice, claim form, or other individual request or demand for property, services, or money constitutes a separate claim.

c. A claim shall be considered made to an authority, recipient, or party when such claim is received by an agent, fiscal intermediary, or other entity, including any State or political subdivision thereof, acting for or on behalf of such authority, recipient, or party.

d. Each claim for property, services, or money is subject to a civil penalty regardless of whether such property, service, or money is actually delivered or paid.

e. If the Government has made any payment (including transferred property or provided services) on a claim, a person subject to a civil penalty under subparagraph 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 subparagraph a.(1) of this section. Such assessment shall be in lieu of damages sustained by the Government because of such claim.

2. Statements

a. Any person who makes a written statement that:

(1) The person knows or has reason to know the following:

(a) Asserts a material fact that 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

(2) 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 statement.

b. Each written representation, certification, or affirmation constitutes a separate statement.

c. A statement shall be considered made to an authority when such statement is received by an agent, fiscal intermediary, or other entity, including any State or political subdivision thereof, acting for or on behalf of such authority.

3. No proof of specific intent to defraud is required to establish liability under this section.

4. 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 jointly and severally liable for a civil penalty with respect to such claims or statements.

5. 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 provided services) an assessment may be imposed against any such person or jointly and severally against any combination of such persons.

D. Investigation

1. If the investigating official concludes that a subpoena pursuant to the authority conferred by 31 U.S.C. 3804(a) is warranted, then:

a. 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;

b. The investigating official may designate a person to act on his or her behalf to receive the documents sought; and

c. The person receiving such subpoena shall be required to tender to the investigating official, or to the person designated to receive the documents, a certification that the documents sought have been produced, or that such documents are not available and the reasons therefor, or that such documents, suitably identified, have been withheld based upon the assertion of an identified privilege.

2. If the investigating official concludes that an action under the PFCRA may be warranted, the investigating official shall submit a report containing the findings and conclusions of such investigation to the appropriate reviewing official(s). In instances where the false claim or false statement involves more than one authority within the Department of Defense, or where the investigating official finds that more than one case has arisen from the same set of facts, the investigating official may, at his or her sole discretion, refer the case(s) to the reviewing official of one of the affected authorities. That reviewing official shall consolidate the claims and statements and act for all. Nothing in this subection confers any right in any party to the consolidation or severance of any case(s), although presiding officers may, at their sole discretion, entertain motions to consolidate or sever.

3. 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 18 U.S.C. 287 or 31 U.S.C. 3729 and 3730, False Claims Act, or other civil relief, or to preclude or limit such official's discretion to defer or postpone a report or referral to the reviewing official to avoid interference with a criminal investigation or prosecution.

4. Nothing in this section modifies any responsibility of an investigating official to report violations of criminal law to the Attorney General.

5. Nothing in this section shall preclude or limit the investigating official's authority to obtain the assistance of any investigative units of the Department of Defense, including those of the Military Departments. In this regard, appropriate investigation may be conducted by the Defense criminal investigative organizations and other investigative elements of the Military Departments and Defense Agencies.

E. Review by the Reviewing Official

1. If, based on the report of the investigating official under subsection D.2., above, the reviewing official determines that there is adequate evidence to believe that a person is liable under section C., above, the reviewing official shall transmit to the Attorney General or his or her designated point of coordination within the Department of Justice a written notice of the reviewing official's intention to issue a complaint under section G., below.

2. Such notice shall include the following:

a. A statement of the reviewing official's reasons for issuing a complaint;

b. A statement specifying the evidence that supports the allegations of liability;

c. A description of the claims or statements upon which the allegations of liability are based;

d. An estimate of the amount of money or the value of property, services, or other benefits requested or demanded in violation of section C., above.

e. 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

f. A statement that there is a reasonable prospect of collecting an appropriate amount of penalties and assessments.

F. Prerequisites for Issuing a Complaint

1. The reviewing official may issue a complaint under section G., below, only if:

a. The Attorney General or an Assistant Attorney General designated by the Attorney General approves the issuance of a complaint in a written statement described in 31 U.S.C. 3803(b)(1); and

b. In the case of allegations of liability under subsection C.1., above, 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 subsection 2. of this section), the amount of money or the value of property or services demanded or requested in violation of subsection C.1., above, does not exceed $150,000.00;

2. 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.

3. Nothing in this section shall be construed to limit the reviewing official's authority to join in a single complaint against a person's 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.

4. In any case that involves claims or statements made to more than one entity within the Department of Defense or the Military Departments, or the reviewing officials having responsibility for each such entity, as stated in subsection D.2., above, shall have concurrent jurisdiction to make the required determinations under this section. In any such case, the responsible reviewing officials shall coordinate with each other prior to making any determination under this section. Where more than one case arises from the same set of facts, such cases shall be consolidated to the degree practicable, although the reviewing official shall have absolute discretion to make such determination. The requirements of this paragraph do not confer any procedural or substantive rights upon individuals, associations, corporations, or other persons or entities who might become defendants under the PFCRA.

G. Complaint

1. On or after the date the Attorney General or an Assistant Attorney General designated by the Attorney General 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 defendant, as provided in section H., below.

2. The complaint shall state the following:

a. The allegations of liability against the defendant, 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;

b. The maximum amount of penalties and assessments for which the defendant may be held liable;

c. Instructions for filing an answer to a request including a specific statement of the defendant's right to request a hearing, by filing an answer and to be represented by a representative; and

d. That failure to file an answer within 30 days of service of the complaint shall result in the imposition of penalties and assessments without right to appeal, consistent with the provisions of section J., below.

3. At the same time the reviewing official serves the complaint, he or she shall notify the defendant with a copy of this part and any applicable implementing regulations.

H. Service of Complaint

1. 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. Service is complete upon receipt.

2. 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 the following:

a. Affidavit of the individual serving the complaint by delivery;

b. A United States Postal Service return receipt card acknowledging receipt; or

c. Written acknowledgement of receipt by the defendant or his or her representative.

I. Answer

1. The defendant 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.

2. In the answer, the defendant:

a. Shall admit or deny each of the allegations of liability made in the complaint;

b. Shall state any defense on which the defendant intends to rely;

c. May state any reasons why the defendant contends that the penalties and assessments should be less than the statutory maximum; and

d. Shall state the name, address, and telephone number of the person authorized by the defendant to act as defendant's representative, if any.

3. If the defendant is unable to file an answer meeting the requirements of paragraph 2.b of this section within the time provided, the defendant may, before the expiration of 30 days from service of the complaint, file with the reviewing official a general answer

denying liability and requesting a hearing, and a request for an extension of time within which to file an answer meeting the requirements of subsection 2. of this section. The reviewing official shall, in such event, file promptly with the presiding officer the complaint, the general answer denying liability, and the request for an extension of time as provided in section K., below. For good cause shown, the presiding officer may grant the defendant additional time within which to file an answer meeting the requirements of subsection 2. of this section.

4. The 30-day limitation for filing an answer may be tolled for a reasonable period of time by written agreement of the parties and approval of the authority head to allow time for settlement.

J. Default Upon Failure to File an Answer

1. If the defendant does not file an answer within the time prescribed in subsection I.1., above, and there is no approved written agreement as in subsection I.4, above, tolling the time prescribed, the reviewing official may then refer the complaint to the presiding officer.

2. Upon referral of the complaint pursuant to this section, the presiding officer shall promptly serve on defendant, in the manner prescribed in section H., above, a notice that an initial decision will be issued under this section.

3. Upon referral of the complaint pursuant to this section, the presiding officer shall assume the facts alleged in the complaint to be true and, if such facts establish liability under section C., above, the presiding officer shall issue an initial decision imposing penalties and assessments under the statute.

4. Except as otherwise provided in this section, by failing to file a timely answer, the defendant waives any right to further review of the penalties and assessments imposed under subsection 3. of this section, and the initial decision shall become final and binding upon the parties 30 days after it is issued.

5. If, before such an initial decision becomes final, the defendant files a motion with the presiding officer seeking to reopen on the grounds that good cause prevented the defendant from filing an answer, the initial decision shall be stayed pending the presiding officer's decision on the motion.

6. If, on a motion brought under subsection J.5., above, the defendant can demonstrate good cause excusing the failure to file a timely answer, the presiding officer shall withdraw the initial decision in subsection 3. of this section if such a decision has been issued, and shall grant the defendant an opportunity to answer the complaint.

7. A decision of the presiding officer denying a defendant's motion under subsections 5. and 6. of this section is not subject to reconsideration under section LL., below.

8. The defendant 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 presiding officer denies the motion. The timely filing of a notice of appeal shall stay the initial decision until the authority head decides the issue.

9. If the defendant files a timely notice of appeal with the authority head, the presiding officer shall forward the record of the proceeding to the authority head.

10. The authority head shall decide expeditiously whether good cause excused the defendant's failure to file a timely answer based solely on the record before the presiding officer.

11. If the authority head decides that good cause excused the defendant's failure to file a timely answer, the authority head shall remand the case to the presiding officer with instructions to grant the defendant an opportunity to answer.

12. If the authority head decides that the defendant's failure to file a timely answer is not excused, the authority head shall approve the initial decision of the presiding officer, which shall become final and binding upon the parties 30 days after the authority head issues such decision.

K. Referral of Complaint and Answer to the Presiding Officer

1. Upon receipt of an answer, the reviewing official shall file the complaint and answer with the presiding officer.

2. To allow time for settlement, referral of complaint and answer to the presiding officer may be delayed for a reasonable period of time if there is a written agreement of the parties, approved by the authority head, in favor of such delay.

L. Notice of Hearing

1. When the presiding officer receives the complaint and answer, the presiding officer shall promptly serve a notice of hearing upon the defendant in the manner prescribed by section H., above. At the same time, the presiding officer shall send a copy of such notice to the representative for the Government.

2. Such notice shall include:

a. The tentative time and place, and the nature of the hearing;

b. The legal authority and jurisdiction under which the hearing is to be held;

c. The matters of fact and law to be asserted;

d. A description of the procedures for the conduct of the hearing;

e. The name, address, and telephone number of the representative of the Government, the defendant, and other parties, if any; and

f. Such other matters as the presiding officer deems appropriate.

M. Parties to the Hearing

The parties to the hearing shall be the defendant and the authority. The reviewing official of each authority shall, with the concurrence of the DoD Component head, designate attorneys within that authority to represent the authority in hearings conducted under this part. Attorneys appointed as authority representatives shall remain under the supervision of their DoD Component.

N. Separation of Functions

1. The investigating official and the reviewing official, for any particular case or factually related case, may not do the following:

a. Participate in the hearing as the presiding officer;

b. 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 a public proceeding; or

c. Make the collecting of penalties and assessments under 31 U.S.C. 3806.

2. The presiding officer shall not be responsible to, or subject to the supervision or direction of, the investigating official or the reviewing official.

3. Except as provided in subsection 1. of this section, the representative for the Government may be employed anywhere in the authority, including in the offices of either the investigating official or the reviewing official.

O. Ex parte Contacts

No party or person (except employees of the presiding officer's office) shall communicate in any way with the presiding officer on any matter at issue in a case unless on notice and there is an 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.

P. Disqualification of Presiding Officer and Reviewing Official

1. A reviewing official or presiding officer in a particular case may disqualify himself or herself at any time.

2. A party may file a motion for disqualification of the presiding officer or the reviewing official. Such motion, to be filed with the presiding officer, shall be accompanied by an affidavit alleging personal bias or other reason for disqualification.

3. Such motion and affidavit shall be filed promptly upon the party's discovery of reasons requiring disqualification or such objections shall be deemed waived.

4. 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.

5. Upon the filing of such a motion and affidavit, the presiding officer shall proceed no further in the case until he or she resolves the matter of disqualification by taking one of the following actions:

a. If the presiding officer determines that a reviewing official is disqualified, the presiding officer shall dismiss the complaint without prejudice;

b. If the presiding officer disqualifies himself or herself, the case shall be reassigned promptly to another presiding officer;

c. The presiding officer may deny a motion to disqualify. In such event, the authority head may determine the matter only as part of his or her review of the initial decision upon appeal, if any.

Q. Rights of Parties

Except as otherwise limited by this enclosure, all parties may:

1. Be accompanied, represented, and advised by a representative;

2. Participate in any conference held by the presiding officer;

3. Conduct discovery;

4. Agree to stipulations of fact or law, which shall be made part of the record;

5. Present evidence relevant to the issues at the hearing;

6. Present and cross-examine witnesses;

7. Present oral arguments at the hearing, as permitted by the presiding officer; and

8. Submit written briefs and proposed findings of fact and conclusions of law after the hearing.

R. Authority of the Presiding Officer

1. The presiding officer shall conduct a fair and impartial hearing, avoid delay, maintain order, and assure that a record of the proceeding is made.

2. The presiding officer has the authority to do the following:

a. Set and change the date, time, and place of the hearing upon reasonable notice to the parties;

b. Continue or recess the hearing in whole or in part for a reasonable period of time;

c. Hold conferences to identify or simplify the issues, or to consider other matters that may aid in the expeditious disposition of the proceeding;

d. Administer oaths and affirmations;

e. Issue subpoenas requiring the attendance of witnesses and the production of documents at depositions or at hearings;

f. Rule on motions and other procedural matters;

g. Regulate the scope and timing of discovery;

h. Regulate the course of the hearing and the conduct of representatives and parties;

i. Examine witnesses;

j. Receive, rule on, exclude, or limit evidence;

k. Upon motion of a party, take official notice of facts;

l. Upon motion of a party, decide cases, in whole or in part by summary judgment where there is no disputed issue of material fact;

m. Conduct any conference, argument, or hearing on motions in person or by telephone; and

n. Exercise such other authority as is necessary to carry out the responsibilities of the presiding officer under this Directive.

3. The presiding officer does not have the authority to find Federal statutes or regulations invalid.

S. Prehearing Conferences

1. The presiding officer may schedule prehearing conferences as appropriate.

2. Upon the motion of any party, the presiding officer shall schedule at least one prehearing conference at a reasonable time in advance of the hearing.

3. The presiding officer may use prehearing conferences to discuss the following:

a. Simplification of the issues;

b. The necessity or desirability of amendments to the pleadings, including the need for a more definite statement;

c. Stipulations and admissions of fact or as to the contents and authenticity of documents;

d. Whether the parties can agree to submission of the case on a stipulated record;

e. Whether a party chooses to waive appearance at an oral hearing and to submit only documentary evidence (subject to the objections of other parties) and written argument;

f. Limitation of the number of witnesses;

g. Scheduling dates for the exchange of witness lists and of proposed exhibits;

h. Discovery;

i. The time and place for the hearing; and

j. Such other matters as may tend to expedite the fair and just disposition of the proceedings.

4. The presiding officer may issue an order containing all matters agreed upon by the parties or ordered by the presiding officer at a prehearing conference.

T. Disclosure of Documents

1. Upon written request to the reviewing official, the defendant may review any relevant and material documents, transcripts, records, and other materials that relate to the allegations set out in the complaint and upon which the findings and conclusions of the investigating official under subsection D.2., above, are based, unless such documents are subject to a privilege under Federal law. Upon payment of fees for duplication, the defendant may obtain copies of such documents.

2. Upon written request to the reviewing official, the defendant 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, except if disclosure would violate Rule 6(e) of the Federal Rules of Criminal Procedure.

3. The notice sent to the Attorney General from the reviewing official as described in section E., above, is not discoverable under any circumstances.

4. The defendant may file a motion to compel disclosure of the documents subject to the provisions of this section at any time after service of the complaint.

U. Discovery

1. The following types of discovery are authorized:

a. Requests for production of documents for inspection and copying;

b. Requests for admissions of the authenticity of any relevant document or of the truth of any relevant fact;

c. Written interrogatories; and

d. Depositions.

2. For the purpose of this section and sections V. and W., below, the term ''documents'' includes information, documents, reports, answers, records, accounts, papers, and other data and documentary evidence contained in a form contemplated by the definition of ''document'' set forth in the Federal Rules of Civil Procedure, Rule 34. Nothing contained herein shall be interpreted to require the creation of a document.

3. Unless mutually agreed to by the parties, discovery is available only as ordered by the presiding officer. The presiding officer shall regulate the timing of discovery.

4. Motions for discovery may be filed with the presiding officer by the party seeking discovery.

a. 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.

b. Within 10 days of service, a party may file an opposition to the motion and/or a motion for protective order as provided in section X., below.

c. The presiding officer may grant a motion of discovery only if he finds that the discovery sought:

(1) Is necessary for the expeditious, fair, and reasonable consideration of the issue;

(2) Is not unduly costly or burdensome;

(3) Will not unduly delay the proceeding; and

(4) Does not seek privileged information.

d. The burden of showing that discovery should be allowed is on the party seeking discovery.

e. The presiding officer may grant discovery subject to a protective order under section X., below.

5. Depositions

a. If a motion for deposition is granted, the presiding officer 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. The presiding officer may order that parties produce deponents and/or documents without the need for subpoena.

b. The party seeking to depose shall serve the subpoena in the manner prescribed in section H., above.

c. The deponent may file with the presiding officer a motion to quash the subpoena or a motion for a protective order within 10 days of service.

d. The party seeking to depose shall provide for the taking of a verbatim transcript of the deposition, which it shall make available to all parties for inspection and copying.

6. Each party shall bear its own costs of discovery.

V. Exchange of Witness Lists, Statements, and Exhibits

1. At least 15 days before the hearing or at such other time as may be ordered by the presiding officer, 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 subsection GG.2., below. At the time the above documents are exchanged, any party that intends to rely upon the transcript of deposition testimony in lieu of live testimony at the hearing, if permitted by the presiding officer, shall provide each party with a copy of the specific pages of the transcript it intends to introduce into evidence.

2. If a party objects, the presiding officer 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 presiding officer finds good cause for the failure or that there is no prejudice to the objecting party.

3. Unless another party objects within the time set by the presiding officer, documents exchanged in accordance with subsection 1. of this section shall be admitted into evidence at the hearing. Later challenges to admissibility at the hearing shall be permitted only upon a showing of good cause for the lateness.

W. Subpoenas for Attendance at Hearing

1. A party wishing to procure the appearance and testimony of any individual at the hearing may request that the presiding officer issue a subpoena.

2. A subpoena requiring the attendance and testimony of an individual may also require the individual to produce documents at the hearing.

3. A party seeking a subpoena shall file a written request therefor not less than 15 days before the date fixed for the hearing, unless otherwise allowed by the presiding officer 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.

4. The subpoena shall specify the time and place at which the witness is to appear and any documents the witness is to produce.

5. The party seeking the subpoena shall serve it in the manner prescribed in section H., above. A subpoena on a party or upon an individual under the control of a party may be served by first class mail.

6. A party or a representative of the individual to whom the subpoena is directed may file with the presiding officer a motion to quash the subpoena with 10 days after service or on or before the time specified in the subpoena for compliance if it is less than 10 days after service.

X. Protective Order

1. A party or 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.

2. In issuing a protective order, the presiding officer may make any order that justice requires to protect a party or person from annoyance, embarrassment, oppression, or undue burden or expense including one or more of the following:

a. That the discovery not be had;

b. That the discovery may be had only on specified terms and conditions, including a designation of the time or place;

c. That the discovery may be had only through a method of discovery other than that requested;

d. That classified information not be released unless prior notice and arrangements reasonably acceptable to the representative of the authority are made in coordination with the Defense Investigative Service, and the presiding officer agrees to the use;

e. That certain matters not be inquired into or that the scope of discovery be limited to certain matters;

f. That discovery be conducted with no person except persons designated by the presiding officer;

g. That the contents of discovery or evidence be sealed;

h. That the defendant comply with 32 CFR part 97 concerning official witnesses;

i. That a deposition after being sealed be opened only upon order of the presiding officer;

j. 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

k. That the parties simultaneously file specified documents of information enclosed in sealed envelopes to be opened as directed by the presiding officer.

Y. Fees

The party requesting a subpoena shall pay the cost of the witness fees and mileage of any witness subpoenaed in the amounts that would be payable to a witness in a proceeding in the 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 authority a check for witness fees and mileage need not accompany the subpoena.

Z. Form, Filing, and Service of Papers

1. Form

a. Documents filed with the presiding officer shall include an original and two copies.

b. 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 presiding officer, and a designation of the paper (e.g., motion to quash subpoena).

c. Every pleading and paper shall be signed by, and shall contain the address and telephone number of, the party or the person on whose behalf the paper was filed, or his or her representative.

d. 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.

2. *Service.* A party filing a document with the presiding officer 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 those required to be served as prescribed in section H., above, shall be made by delivering a copy or by placing a copy of the document in the United States mail, postage prepaid and addressed 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.

3. *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.

AA. Computation of Time

1. 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.

2. When the period of time allowed is less than 7 days, intermediate Saturdays, Sundays, and legal holidays observed by the Federal Government shall be excluded from the computation.

3. Where a document has been served or issued by placing it in the mail, an additional 5 days will be added to the time permitted for any response.

BB. Motions

1. Any application to the presiding officer for an order or ruling shall be by motion. Motions shall state the relief sought, the authority relied upon, the facts alleged, and shall be filed with the presiding officer and served on all other parties.

2. Except for motions made during a prehearing conference or at the hearing, all motions shall be in writing. The presiding officer may require the oral motions be put in writing.

3. Within 15 days after a written motion is served, or such other time as may be fixed by the presiding officer, any party may file a response to such motion.

4. The presiding officer 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.

5. The presiding officer shall make a reasonable effort to dispose of all outstanding motions prior to the beginning of the hearing.

6. Failure by a party to raise defenses or objections or to make requests that must be made prior to the beginning of the hearing shall constitute waiver thereof, but the presiding officer may grant relief from the waiver for good cause shown.

CC. Sanctions

1. The presiding officer may sanction a person, including any party or representative, for the following:

a. Failing to comply with an order, rule, or procedure governing the proceeding;

b. Failing to prosecute or defend an action; or

c. Engaging in other misconduct that interferes with the speedy, orderly, or fair conduct of the hearing.

2. Any such sanction, including but not limited to those listed in subsections 3., 4., and 5. of this section, shall reasonably relate to the severity and nature of the failure or misconduct.

3. 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 presiding officer may:

a. Draw an inference in favor of the requesting party with regard to the information sought;

b. In the case of requests for admission, deem each matter of which an admission is requested to be admitted;

c. Prohibit the party failing to comply with such order from introducing evidence concerning, or otherwise relying upon, testimony relating to the information sought; and

d. Strike any part of the pleadings or other submission of the party failing to comply with such request.

4. If a party fails to prosecute or defend an action under this part commenced by service of a notice of hearing, the presiding officer may dismiss the action or may issue an initial decision imposing penalties and assessments.

5. The presiding officer may refuse to consider any motion, request, response, brief, or other document that is not filed in a timely fashion.

DD. The Hearing and Burden of Proof

1. The presiding officer shall conduct a hearing on the record in order to determine whether the defendant is liable for a civil penalty or assessment under section C., above, and, if so, the appropriate amount of any such civil penalty or assessment considering any aggravating or mitigating factors.

2. The authority shall prove defendant's liability and any aggravating factors by a preponderance of the evidence.

3. The defendant shall prove any affirmative defenses and any mitigating factors by a preponderance of the evidence.

4. The hearing shall be open to the public unless otherwise ordered by the presiding officer for good cause shown.

EE. Determining the Amount of Penalties and Assessments

In determining an appropriate amount of civil penalties and assessments, the presiding officer 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.

FF. Location of Hearing

1. The hearing may be held as follows:

a. In any judicial district of the United States in which the defendant resides or transacts business;

b. In any judicial district of the United States in which the claim or statement at issue was made; or

c. In such other place, including foreign countries, as may be agreed upon by the defendant and the presiding officer.

2. Each party shall have the opportunity to petition the presiding officer with respect to the location of the hearing.

3. The hearing shall be held at the place and at the time ordered by the presiding officer.

GG. Witnesses

1. Except as provided in subsection 2. of this section, testimony at the hearing shall be given orally by witnesses under oath or affirmation.

2. At the discretion of the presiding officer, testimony may be admitted in the form of a written or videotaped statement or deposition. Any such written or videotaped statement must be provided 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 deposition or cross-examination at the hearing. Prior written or videotaped statements of witnesses proposed to testify at the hearings and deposition transcripts shall be exchanged as provided in subsection V.1., above.

3. The presiding officer shall exercise reasonable control over the mode and order of interrogating witnesses and presenting evidence so as to:

a. Make the interrogation and presentation effective for the ascertainment of the truth;

b. Avoid needless consumption of time; and

c. Protect witnesses from harassment or undue embarrassment.

4. The presiding officer shall permit the parties to conduct such cross-examination as may be required for a full and true disclosure of the facts.

5. At the discretion of the presiding officer, a witness may be cross-examined on matters relevant to the proceeding without regard to the scope of his or her direct examination.

6. Upon motion of any party, the presiding officer shall order witnesses excluded so that they cannot hear the testimony of other witnesses. This rule does not authorize exclusion of the following:

a. A party who is an individual;

b. In the case of a party that is not an individual, an officer or employee of the party appearing for the party as its representative,

or designated by the party's representative; or

c. An individual whose presence is shown by a party to be essential to the presentation of its case, including an individual employed by the Government engaged in assisting the representative for the Government.

HH. Evidence

1. The presiding officer shall determine the admissibility of evidence.

2. Except as provided herein, the presiding officer shall not be bound by the Federal Rules of Evidence. However, the presiding officer may apply the Federal Rules of Evidence where appropriate; e.g., to exclude unreliable evidence.

3. The presiding officer shall exclude irrelevant and immaterial evidence.

4. 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 consideration of undue delay or needless presentation of cumulative evidence.

5. Evidence shall be excluded if it is privileged under Federal law and the holder of the privilege asserts it.

6. Evidence concerning offers of compromise or settlement shall be inadmissible to the extent provided in Rule 408 of the Federal Rules of Evidence.

7. The presiding officer shall permit the parties to introduce rebuttal witnesses and evidence.

8. All documents and other evidence offered or taken for the record shall be open to examination by all parties, unless otherwise ordered by the presiding officer pursuant to section X., above.

II. The Record and Finding

1. The hearing will be recorded and transcribed. Transcripts may be obtained following the hearing from the presiding officer at a cost not to exceed the actual cost of duplication.

2. 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 presiding officer and the authority head.

3. The record may be inspected and copied (upon payment of a reasonable fee) by anyone, unless otherwise ordered by the presiding officer.

4. Funding for the hearing and record, except for the cost of the presiding officer, shall be the responsibility of the authority in which the case arose.

JJ. Post-hearing Briefs

The presiding officer may require or permit the parties to file post-hearing briefs. The presiding officer shall fix the time for filing any 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 presiding officer may permit the parties to file reply briefs.

KK. Initial Decision

1. The presiding officer shall issue an initial decision based only on the record that shall contain findings of fact, conclusions of law, and the amount of any penalties and assessments imposed.

2. The findings of fact shall include a finding on each of the following issues:

a. Whether the claims or statements identified in the complaint, or any portions thereof, violate section C., above; and

b. If the person is liable for penalties or assessments, the appropriate amount of any such penalties or assessments.

3. The presiding officer shall promptly serve 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 presiding officer shall at the same time serve all parties with a statement describing the right of any defendant determined to be liable for a civil penalty or assessment to file a motion for reconsideration with the presiding officer or a notice of appeal with the authority head. If the presiding officer fails to meet the deadline contained in this subsection, he or she shall notify the parties of the reason for the delay and shall set a new deadline.

4. Unless the initial decision of the presiding officer is timely appealed to the authority head, or a motion for reconsideration of the initial decision is timely filed, the initial decision of the presiding officer shall be final and binding on the parties 30 days after it is issued by the presiding officer.

LL. Reconsideration of Initial Decision

1. Except as provided in subsection 4. of this section, any party may file a motion for reconsideration of the initial decision within 20 days of service of the initial decision in the manner set forth in section H., above, for service of the complaint. Service shall be proved in the manner provided in subsection H.2., above.

2. 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.

3. Responses to such motions shall be allowed only upon request of the presiding officer; however, the presiding officer shall not issue a revised initial determination without affording both parties an opportunity to be heard on the motion for reconsideration.

4. No party may file a motion for reconsideration of an initial decision that has been revised in response to a previous motion for reconsideration.

5. The presiding officer may dispose of a motion for reconsideration by denying it or by issuing a revised initial decision.

6. If the presiding officer 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 presiding officer denies the motion, unless the initial decision is timely appealed to the authority head in accordance with section MM., below.

7. If the presiding officer 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 section MM., below.

MM. Appeal to Authority Head

1. Any defendant 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.

2. A notice of appeal:

a. May be filed at any time within 30 days after the presiding officer issues an initial or a revised initial decision. If another party files a motion for reconsideration under section LL., above, consideration of the appeal shall be stayed automatically pending resolution of the motion for reconsideration, until the time period for filing a motion for reconsideration under section LL., above, has expired or the motion is resolved;

b. If a motion for reconsideration is timely filed, a notice of appeal may be filed within 30 days after the presiding officer denies the motion or issues a revised initial decision, whichever applies;

c. The authority head may extend the initial 30-day period for an additional 30 days if the defendant files with the authority head a request for an extension within the initial 30-day period and shows good cause.

3. If the defendant files a timely notice of appeal with the authority head, the presiding officer shall forward the record of the proceeding to the authority head when:

a. The time for filing a motion for reconsideration expires without the filing of such a motion, or

b. The motion for reconsideration is denied. Issuance of a revised initial decision upon motion for reconsideration shall require filing of a new notice of appeal.

4. A notice of appeal shall be accompanied by a written brief specifying exceptions to the initial decision and reasons supporting the exceptions.

5. The representative for the Government may file a brief in opposition to the exceptions within 30 days of receiving the notice of appeal and accompanying brief.

6. There is no right to appear personally before the authority head, although the authority head may at his or her discretion require the parties to appear for an oral hearing on appeal.

7. There is no right to appeal any interlocutory ruling by the presiding officer.

8. In reviewing the initial decision, the authority head shall not consider any objection that was not raised before the presiding officer, unless a demonstration is made of extraordinary circumstances causing the failure to raise the objection.

9. If any party demonstrates to the satisfaction of the authority head that additional evidence not presented at such hearing is material and that there were reasonable grounds for the failure to present such evidence at such hearing, the authority head shall remand the matter to the presiding officer for consideration of such additional evidence.

10. The authority head may affirm, reduce, reverse, compromise, remand, or settle any penalty or assessment determined by the presiding officer in any initial decision.

11. 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.

12. Unless a petition for review is filed as provided in 32 U.S.C. 3805 after a defendant has exhausted all administrative remedies under this part and within 60 days after the date on which the authority head serves the defendant with a copy of the authority head's decision, a determination that a defendant is liable under section C., above, is final and is not subject to judicial review.

13. The authority heads (or their designees) may designate an officer or employee of the authority, who is serving in the grade of GS–17 or above under the General Schedule, or in the Senior Executive Service, to carry out these appellate responsibilities; however, the authority to compromise, settle, or otherwise discretionarily dispose of the case on appeal provided pursuant to subsection MM.10, hereof, may not be so redelegated pursuant to this subsection.

NN. 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 Directive 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 immediately. The authority head may order the process resumed only upon receipt of the written authorization of the Attorney General.

OO. Stay Pending Appeal

1. An initial decision is stayed automatically pending disposition of a motion for reconsideration or of an appeal to the authority head.

2. No administrative stay is available following a final decision of the authority head.

PP. Judicial Review.

31 U.S.C. 3805 authorizes judicial review by an appropriate United States District Court of a final decision of the authority head imposing penalties or assessment under this part and specifies the procedures for such review.

QQ. Collection of Civil Penalties and Assessments

31 U.S.C. 3806 and 3808(b) authorize actions for collection of civil penalties and assessments imposed under this part and specify the procedures for such actions.

RR. Right to Administrative Offset

The amount of any penalty or assessment that has become final, or for which a judgment has been entered under section QQ., above, or any amount agreed upon in a compromise or settlement under section TT., below, may be collected by administrative offset under 31 U.S.C. 3716, except that an administrative offset may not be made under this section against a refund of an overpayment of Federal taxes then or later owing by the United States to the defendant.

SS. 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).

TT. Compromise or Settlement

1. Parties may make offers of compromise or settlement at any time.

2. 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 presiding officer issues an initial decision.

3. The authority head has exclusive authority to compromise or settle a case under this Directive at any time after the date on which the presiding officer issues an initial decision, except during the pendency of any review under section PP., above, or during the pendency of any action to collect penalties as assessments under section QQ., above.

4. The Attorney General has exclusive authority to compromise or settle a case under this part during the pendency of any review under section PP., above, of any action to recover penalties and assessments under 31 U.S.C. 3806.

5. The investigating official may recommend settlement terms to the reviewing official or the Attorney General, as appropriate. The reviewing official may recommend settlement terms to the Attorney General, as appropriate.

6. Any compromise or settlement must be in writing.

UU. Limitations

1. The notice of hearing with respect to a claim or settlement must be served in the manner specified in section H., above, within 6 years after the date on which such claim or statement is made.

2. If the defendant fails to file a timely answer, service of a notice under subsection J.2., above, shall be deemed a notice of hearing for purposes of this section.

3. If at any time during the course of proceedings brought pursuant to this section, the authority head receives or discovers any specific information concerning bribery, gratuities, conflict of interest, or other corruption or similar activity in relation to a false claim or statement, the authority head shall immediately report such information to the Attorney General and to the Inspector General, Department of Defense.

VV. Delegations

The General Counsel for the Department of Defense is designated to carry out the reponsibilities of the authority head of the Department of Defense for the issuance of additional implementing regulations that are necessary to implement PFCRA and this part to decide cases upon appeal, and to hire or designate employees of the Department of Defense to decide cases on appeal. The General Counsel, Department of Defense, is also designated to appoint presiding officers for the Department of Defense, and may assist in the appointment of presiding officers on detail from other Agencies for all authorities within the Department of Defense.

SUBCHAPTER N—FREEDOM OF INFORMATION ACT PROGRAM

PART 285—DOD FREEDOM OF INFORMATION ACT (FOIA) PROGRAM

Sec.
285.1 Purpose.
285.2 Applicability and scope.
285.3 Policy.
285.4 Responsibilities.
285.5 Information requirements.

AUTHORITY: 5 U.S.C. 552.

SOURCE: 62 FR 61013, Nov. 14, 1997, unless otherwise noted.

§ 285.1 Purpose.

This part:

(a) Updates policies and responsibilities for the implementation of the DoD FOIA Program under 5 U.S.C. 552.

(b) Continues to delegate authorities and responsibilities for the effective administration of the FOIA program.

§ 285.2 Applicability and scope.

(a) This part applies to the Office of the Secretary of Defense (OSD), the Military Departments, the Chairman of the Joint Chiefs of Staff, the Combatant Commands, the Inspector General of the Department of Defense, the Defense Agencies, and the DoD Field Activities (hereafter referred to collectively as ''the DoD Components'').

(b) National Security Agency/Central Security Service records are subject to this part unless the records are exempt under section 6 of Pub. L. 86–36 (1959), codified at 50 U.S.C. 402 note. The records of the Defense Intelligence Agency, National Reconnaissance Office, and the National Imagery and Mapping Agency are also subject to this part unless the records are exempt under 10 U.S.C. 424.

§ 285.3 Policy.

It is DoD policy to:

(a) Promote public trust by making the maximum amount of information available to the public, in both hard copy and electronic formats, on the operation and activities of the Department of Defense, consistent with DoD responsibility to ensure national security.

(b) Allow a requester to obtain agency records from the Department of Defense that are available through other public information services without invoking the FOIA.

(c) Make available, under the procedures established by 32 CFR part 286, those agency records that are requested by a member of the general public who explicitly or implicitly cites the FOIA.

(d) Answer promptly all other requests for information, agency records, objects, and articles under established procedures and practices.

(e) Release agency records to the public unless those records are exempt from mandatory disclosure as outlined in 5 U.S.C. 552. Make discretionary disclosures of exempt records or information whenever disclosure would not foreseeably harm an interest protected by a FOIA exemption.

(f) Process requests by individuals for access to records about themselves contained in a Privacy Act system of records under procedures set forth in DoD 5400.11–R,[1] and procedures outlined in this part amplified by 32 CFR part 286.

§ 285.4 Responsibilities.

(a) The Assistant Secretary of Defense for Public Affairs shall:

(1) Direct and administer the DoD FOIA Program to ensure compliance with policies and procedures that govern the administration of the program.

(2) Issue a DoD FOIA regulation and other discretionary instructions and guidance to ensure timely and reasonably uniform implementation of the FOIA in the Department of Defense.

(3) Internally administer the FOIA Program for OSD, the Chairman of the

[1] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

Joint Chiefs of Staff and, as an exception to DoD Directive 5100.3,[2] the Combatant Commands.

(4) As the designee of the Secretary of Defense, serve as the sole appellate authority for appeals to decisions of respective Initial Denial Authorities within OSD, the Chairman of the Joint Chiefs of Staff, the Combatant Commands, and the DoD Field Activities.

(b) The General Counsel of the Department of Defense shall provide uniformity in the legal interpretation of this part.

(c) The Heads of the DoD Components shall:

(1) Publish in the FEDERAL REGISTER any instructions necessary for the internal administration of this part within a DoD Component that are not prescribed by this Directive or by other issuances of the Assistant Secretary of Defense (Public Affairs). For the guidance of the public, the information specified in 5 U.S.C. 552(a)(1) shall be published in accordance with DoD Directive 5400.9.[3]

(2) Conduct training on the provisions of this part, 5 U.S.C. 552, and 32 CFR part 286 for officials and employees who implement the FOIA.

(3) Submit the report prescribed in subpart G of 32 CFR part 286.

(4) Make available for public inspection and copying in an appropriate facility or facilities, in accordance with rules published in the FEDERAL REGISTER, the records specified in 10 U.S.C. 552(a)(2), unless such records are published and copies are offered for sale. These records shall be made available to the public in hard copy, by computer telecommunications, or other electronic means.

(5) Maintain and make available for public inspection and copying current indices of all (a)(2) records as required by 10 U.S.C. 552(a)(2).

§ 285.5 Information requirements.

The reporting requirements in subpart G of 32 CFR part 286 have been assigned Report Control Symbol DD–PA(A) 1365.

[2] See footnote 1.

[3] See footnote 1.

PART 286—DOD FREEDOM OF INFORMATION ACT PROGRAM REGULATION

Subpart A—General Provisions

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286.1 Purpose and applicability.
286.2 Public information.
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286.28 General provisions.
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APPENDIX A TO PART 286—COMBATANT COMMANDS—PROCESSING PROCEDURES FOR FOIA APPEALS
APPENDIX B TO PART 286—ADDRESSING FOIA REQUESTS
APPENDIX C TO PART 286—OTHER REASON CATEGORIES
APPENDIX D TO PART 286—RECORD OF FREEDOM OF INFORMATION (FOI) PROCESSING COST
APPENDIX E TO PART 286—RECORD OF FREEDOM OF INFORMATION (FOI) PROCESSING COST FOR TECHNICAL DATA

APPENDIX F TO PART 286—ANNUAL REPORT FREEDOM OF INFORMATION ACT
APPENDIX G TO PART 286—DOD FREEDOM OF INFORMATION ACT PROGRAM COMPONENTS

AUTHORITY: 5 U.S.C. 552.

SOURCE: 62 FR 35351, July 1, 1997, unless otherwise noted.

Subpart A—General Provisions

§286.1 Purpose and applicability.

(a) *Purpose.* This part provides policies and procedures for the DoD implementation of the Freedom of Information Act (5 U.S.C. 552) and DoD Directive 5400.7,[1] and promotes uniformity in the DoD Freedom of Information Act (FOIA) Program.

(b) *Applicability*. This part applies to the Office of the Secretary of Defense (OSD), the Military Departments, the Chairman of the Joint Chiefs of Staff, the Combatant Commands, the Inspector General of the Department of Defense (IG DoD), the Defense Agencies, and the DoD Field Activities (hereafter referred to collectively as ''the DoD Components''). This part takes precedence over all DoD Component publications that supplement and implement the DoD FOIA Program. A list of DoD Components is at appendix G to this part.

§286.2 Public information.

(a) The public has a right to information concerning the activities of its Government. DoD policy is to conduct its activities in an open manner and provide the public with a maximum amount of accurate and timely information concerning its activities, consistent always with the legitimate public and private interests of the American people. A record requested by a member of the public who follows rules established by proper authority in the Department of Defense shall not be withheld in whole or in part unless the record is exempt from mandatory partial or total disclosure under the FOIA. As a matter of policy, DoD Components shall make discretionary disclosures of exempt records or information whenever disclosure would not foreseeably harm an interest protected by a FOIA exemption, but this policy does not create any right enforceable in court. In order that the public may have timely information concerning DoD activities, records requested through public information channels by news media representatives that would not be withheld if requested under the FOIA should be released upon request. Prompt responses to requests for information from news media representatives should be encouraged to eliminate the need for these requesters to invoke the provisions of the FOIA and thereby assist in providing timely information to the public. Similarly, requests from other members of the public for information that would not be withheld under the FOIA should continue to be honored through appropriate means without requiring the requester to invoke the FOIA.

(b) Within the OSD, the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence, as Chief Information Officer, in conjunction with the Assistant Secretary of Defense for Public Affairs is responsible for ensuring preparation of reference material or a guide for requesting records or information from the Department of Defense, subject to the nine exemptions of the FOIA. This part shall also include an index of all major information systems, and a description of major information and record locator systems, as defined by the Office of the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence. DoD FOIA Components shall coordinate with the appropriate office(s) to insure that this is also accomplished within their department or organization.

(c) DoD Components shall also prepare, in addition to normal FOIA regulations, a handbook for the use of the public in obtaining information from their organization. This handbook should be a short, simple explanation to the public of what the FOIA is designed to do, and how a member of the public can use it to access government records. Each DoD Component should explain the types of records that can be obtained through FOIA requests, why some records cannot, by law, be made available, and how the DoD Component

[1] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22121.

determines whether the record can be released. The handbook should also explain how to make a FOIA request, how long the requester can expect to wait for a reply, and explain the right of appeal. The handbook should supplement other information locator systems, such as the Government Information Locator Service (GILS), and explain how a requester can obtain more information about those systems. The handbook should be available on paper and through electronic means, and identify how a requester can access DoD Components' Freedom of Information Act Annual Reports. Similarly, the DoD Components' Freedom of Information Act Annual Reports should refer to the handbook and how to obtain it.

(d) *Control system.* A request for records that invokes the FOIA shall enter a formal control system designed to ensure accountability and compliance with the FOIA. Any request for DoD records that either explicitly or implicitly cites the FOIA shall be processed under the provisions of this part, unless otherwise required by § 286.4(m).

§ 286.3 Definitions.

As used in this part, the following terms and meanings shall be applicable.

Administrative appeal. A request by a member of the general public, made under the FOIA, asking the appellate authority of a DoD Component to reverse a decision to: withhold all or part of a requested record; deny a fee category claim by a requester; deny a request for expedited processing due to demonstrated compelling need under § 286.4(d)(3); deny a request for waiver or reduction of fees; deny a request to review an initial fee estimate; and confirm that no records were located during the initial search.

Agency record. (1) The products of data compilation, such as all books, papers, maps, and photographs, machine readable materials, inclusive of those in electronic form or format, or other documentary materials, regardless of physical form or characteristics, made or received by an agency of the United States Government under Federal law in connection with the transaction of public business and in Department of Defense possession and control at the time the FOIA request is made. Care should be taken not to exclude records from being considered agency records, unless they fall within one of the categories of paragraph (2) of this definition.

(2) The following are not included within the definition of the word ''record''.

(i) Objects or articles, such as structures, furniture, vehicles and equipment, whatever their historical value, or value as evidence.

(ii) Anything that is not tangible or documentary record, such as an individual's memory or oral communication.

(iii) Personal records of an individual not subject to agency creation or retention requirements, created and maintained primarily for the convenience of an agency employee, and not distributed to other agency employees for their official use. Personal papers fall into three categories: those created before entering Government service; private materials brought into, created, or received in the office that were not created or received in the course of transacting Government business; and work-related personal papers that are not used in the transaction of Government business (see ''Personal Papers of Executive Branch Officials: A Management Guide,'' National Archives and Records Administration, Office of Records Administration, Washington, DC, 1992[2]).

(3) A record must exist and be in the possession and control of the Department of Defense at the time of the request to be considered subject to this part and the FOIA. There is no obligation to create, compile, or obtain a record to satisfy a FOIA request. See § 286.4(g)(2) creating a record in the electronic environment.

(4) Hard copy of electronic records, that are subject to FOIA requests under 5 U.S.C. 552(a)(3), and that are available to the public through an established distribution system, or through the FEDERAL REGISTER, the National Technical Information Service, or the Internet, normally need not

[2] Available from the Records Administration Center, Agency Services Division (NIA), Washington, DC 20408.

be processed under the provisions of the FOIA. If a request is received for such information, DoD Components shall provide the requester with guidance, inclusive of any written notice to the public, on how to obtain the information. However, if the requester insists that the request be processed under the FOIA, then the request shall be processed under the FOIA. If there is any doubt as to whether the request must be processed, contact the Directorate for Freedom of Information and Security Review.

Appellate authority. The Head of the DoD Component or the Component head's designee having jurisdiction for this purpose over the record, or any of the other adverse determinations outlined in the definitions *initial denial authority* and *administrative appeal* in this section.

DoD Component. An element of the Department of Defense, as defined in §286.2(b), authorized to receive and act independently on FOIA requests. (See appendix G to this part). A DoD Component has its own initial denial authority (IDA), appellate authority, and legal counsel.

Electronic record. Records (including e-mail) that are created, stored, and retrievable by electronic means.

Federal agency. As defined by 5 U.S.C. 552(f)(1), a Federal agency is any executive department, military department, Government corporation, Government controlled corporation, or other establishment in the executive branch of the Government (including the Executive Office of the President), or any independent regulatory agency

FOIA request. A written request for DoD records, made by any person, including a member of the public (U.S. or foreign citizen), an organization, or a business, but not including a Federal Agency or a fugitive from the law, that either explicitly or implicitly invokes the FOIA, DoD Directive 5400.7, this part, or DoD Component supplementing regulations or instructions. Written requests may be received by postal service or other commercial delivery means, by facsimile, or electronically.

Initial Denial Authority (IDA). An official who has been granted authority by the head of a DoD component to withhold records requested under the FOIA for one or more of the nine categories of records exempt from mandatory disclosure. IDA's may also deny a fee category claim by a requester; deny a request for expedited processing due to demonstrated compelling need under §286.4(d)(3), deny a request for a waiver or reduction of fees; review a fee estimate; and confirm that no records were located in response to a request.

Public interest. The interest in obtaining official information that sheds light on an agency's performance of its statutory duties because the information falls within the statutory purpose of the FOIA to inform citizens about what their Government is doing. That statutory purpose, however, is not fostered by disclosure of information about private citizens accumulated in various governmental files that reveals nothing about an agency's official's own conduct.

[62 FR 35351, July 1, 1997, as amended at 62 FR 42916, Aug. 11, 1997]

§286.4 Policy.

(a) *Compliance with the FOIA.* DoD personnel are expected to comply with the FOIA, this part, and DoD FOIA policy in both letter and spirit. This strict adherence is necessary to provide uniformity in the implementation of the DoD FOIA Program and to create conditions that will promote public trust.

(b) *Openness with the public.* The Department of Defense shall conduct its activities in an open manner consistent with the need for security and adherence to other requirements of law and regulation. Records not exempt from disclosure under the Act shall, upon request, be made readily accessible to the public in accordance with rules promulgated by competent authority, whether or not the Act is invoked.

(c) *Avoidance of procedural obstacles.* DoD Components shall ensure that procedural matters do not unnecessarily impede a requester from obtaining DoD records promptly. Components shall provide assistance to requesters to help them understand and comply with procedures established by this part and any supplemental regulations published by the DoD Components.

(d) *Prompt action on requests.* (1) Generally, when a member of the public

complies with procedures established in this part and DoD Component regulations or instructions for obtaining DoD records, and after the request is received by the official designated to respond, DoD Components shall endeavor to provide a final response determination within the statutory 10 working days (20 working days effective October 2, 1997). If a significant number of requests, or the complexity of the requests prevent a final response determination within the statutory time period, DoD Components shall advise the requester of this fact, and explain how the request will be responded to within its multitrack processing system (see paragraph (d)(2) of this section). A final response determination is notification to the requester that the records are released, or will be released on a certain date, or the records are denied under the appropriate FOIA exemption, or the records cannot be provided for one or more of the other reasons in § 286.23. Interim responses acknowledging receipt of the request, negotiations with the requester concerning the scope of the request, the response timeframe, and fee agreements are encouraged; however, such actions do not constitute a final response determination pursuant to the FOIA.

(2) *Multitrack processing.* When a Component has a significant number of pending requests that prevents a response determination being made within 10 working days (20 working days effective October 2, 1997), the requests shall be processed in a multitrack processing system, based on the date of receipt, the amount of work and time involved in processing the requests, and whether the request qualifies for expedited processing as described in paragraph (d)(3) of this section. DoD Components may establish as many processing queues as they wish; however, as a minimum, three processing tracks shall be established, all based on a first-in, first-out concept, and rank ordered by the date of receipt of the request. One track shall be a processing queue for simple requests, one track for complex requests, and one track shall be a processing queue for expedited processing as described in paragraph (d)(3) of this section. Determinations as to whether a request is simple or complex shall be made by each DoD Component. DoD Components shall provide a requester whose request does not qualify for the fastest queue (except for expedited processing as described in paragraph (d)(3) of this section), an opportunity to limit in writing by hard copy, facsimile, or electronically, the scope of the request in order to qualify for the fastest queue. This multitrack processing system does not obviate components' responsibility to exercise due diligence in processing requests in the most expeditious manner possible.

(3) *Expedited processing.* A separate queue shall be established for requests meeting the test for expedited processing. Expedited processing shall be granted to a requester after the requester requests such and demonstrates a compelling need for the information. Notice of the determination as to whether to grant expedited processing in response to a requester's compelling need shall be provided to the requester within 10 calendar days after receipt of the request in the DoD Component's office that will determine whether to grant expedited processing. Once the DoD Component has determined to grant expedited processing, the request shall be processed as soon as practicable. Actions by DoD Components to initially deny or affirm the initial denial on appeal of a request for expedited processing, and failure to respond in a timely manner shall be subject to judicial review.

(i) *Compelling need.* The failure to obtain the records on an expedited basis could reasonably be expected to pose an imminent threat to the life or physical safety of an individual.

(ii) Compelling need also means that the information is urgently needed by an individual primarily engaged in disseminating information in order to inform the public concerning actual or alleged Federal Government activity. An individual primarily engaged in disseminating information means a person whose primary activity involves publishing or otherwise disseminating information to the public. Representatives of the news media (see § 286.28(e)(7)(i)) would normally qualify as individuals primarily engaged in disseminating information. Other persons

must demonstrate that their primary activity involves publishing or otherwise disseminating information to the public. ''Urgently needed'' information has a particular value that will be lost if not disseminated quickly. Ordinarily this means a breaking news story of general public interest. However, information of historical interest only, or information sought for litigation or commercial activities would not qualify, nor would a news media publication or broadcast deadline unrelated to the news breaking nature of the information.

(iii) A demonstration of compelling need by a requester shall be made by a statement certified by the requester to be true and correct to the best of their knowledge. This statement must accompany the request in order to be considered and responded to within the 10 calendar days required for decisions on expedited access.

(iv) *Other reasons for expedited processing.* Other reasons that merit expedited processing by DoD Components are an imminent loss of substantial due process rights and humanitarian need. A demonstration of imminent loss of substantial due process rights shall be made by a statement certified by the requester to be true and correct to the best of his or her knowledge. Humanitarian need means that disclosing the information will promote the welfare and interests of mankind. A demonstration of humanitarian need shall be also made by a statement certified by the requester to be true and correct to the best of his or her knowledge. Both statements mentioned above must accompany the request in order to be considered and responded to within the 10 calendar days required for decisions on expedited access. Once the decision has been made to expedite the request for either of these reasons, the request may be processed in the expedited processing queue behind those requests qualifying for compelling need.

(v) These same procedures also apply to requests for expedited processing of administrative appeals.

(e) *Use of exemptions.* It is DoD policy to make records publicly available, unless the record qualifies for exemption under one or more of the nine exemptions. It is DoD policy that DoD Components shall make discretionary releases whenever possible; however, a discretionary release is normally not appropriate for records clearly exempt under exemptions 1, 3, 4, 6, 7(C) and 7(F) (see subpart C of this part). Exemptions 2, 5, and 7(A)(B)(D) and (E) (see subpart C of this part) are discretionary in nature, and DoD Components are encouraged to exercise discretionary releases whenever possible. Exemptions 4, 6 and 7(C) cannot be claimed when the requester is the submitter of the information.

(f) *Public domain.* Nonexempt records released under the authority of this part are considered to be in the public domain. Such records may also be made available in Components' reading rooms in paper form, as well as electronically, to facilitate public access. Discretionary releases to FOIA requesters constitute a waiver of the FOIA exemptions that may otherwise apply. Disclosure to a properly constituted advisory committee, to Congress, or to other Federal Agencies does not waive the exemption. (See § 286.22(d)). Exempt records disclosed without authorization by the appropriate DoD official do not lose their exempt status. Also, while authority may exist to disclose records to individuals in their official capacity, the provisions of this part apply if the same individual seeks the records in a private or personal capacity.

(g) *Creating a record.* (1) A record must exist and be in the possession and control of Department of Defense at the time of the research to be considered subject to this part and the FOIA. There is no obligation to create, compile, or obtain a record to satisfy a FOIA request. A DoD Component, however, may compile a new record when so doing would result in a more useful response to the requester, or be less burdensome to the agency than providing existing records, and the requester does not object. Cost of creating or compiling such a record may not be charged to the requester unless the fee for creating the record is equal to or less than the fee which would be charged for providing the existing record. Fee assessments shall be in accordance with subpart F of this part.

(2) About electronic data, the issue of whether records are actually created or merely extracted from an existing database is not always readily apparent. Consequently, when responding to FOIA requests for electronic data where creation of a record, programming, or particular format are questionable, Components should apply a standard of ''reasonableness.'' In other words, if the capability exists to respond to the request, and the effort would be a ''business as usual'' approach, then the request should be processed. However, the request need not be processed where the capability to respond does not exist without a significant expenditure of resources, thus not being a normal ''business as usual'' approach. As used in this sense, a significant expenditure of resources in both time and manpower, that would cause a significant interference with the operation of the Components' automated information system would not be a business as usual approach.

(h) *Description of requested record.* (1) Identification of the record desired is the responsibility of the requester. The requester must provide a description of the desired record, that enables the Government to locate the record with a reasonable amount of effort. In order to assist DoD Components in conducting more timely searches, requesters should endeavor to provide as much identifying information as possible. When a DoD Component receives a request that does not reasonably describe the requested record, it shall notify the requester of the defect in writing. The requester should be asked to provide the type of information outlined in paragraph (h)(2) of this section. DoD Components are not obligated to act on the request until the requester responds to the specificity letter. When practicable, DoD Components shall offer assistance to the requester in identifying the records sought and in reformulating the request to reduce the burden on the agency in complying with the Act.

(2) The following guidelines are provided to deal with generalized requests and are based on the principle of reasonable effort (Descriptive information about a record may be divided into two broad categories.):

(i) Category I is file-related and includes information such as type of record (for example, memorandum), title, index citation, subject area, date the record was created, and originator.

(ii) Category II is event-related and includes the circumstances that resulted in the record being created or the date and circumstances surrounding the event the record covers.

(3) Generally, a record is not reasonably described unless the description contains sufficient Category I information to permit the conduct of an organized, non random search based on the DoD Component's filing arrangements and existing retrieval systems, or unless the record contains sufficient Category II information to permit inference of the Category I elements needed to conduct such a search.

(4) The following guidelines deal with requests for personal records: Ordinarily, when personal identifiers are provided only in connection with a request of records concerning the requester, only records in a Privacy Act system of records that can be retrieved by personal identifiers need be searched. However, if a DoD Component has reason to believe that records on the requester may exist in a recoded system other than a Privacy Act system, the DoD Component shall search that system under the provisions of the FOIA. In either case, DoD Components may request a reasonable description of teh records desired before searching for such records under the provisions of the FOIA and the Privacy Act. If the record is required to be released under the FOIA, 5 U.S.C. 552a does not bar its disclosure. See paragraph (m) of this section for the relationship between the FOIA and the Privacy Act.

(5) The previous guidelines notwithstanding, the decision of the DoD Component concerning reasonableness of description must be based on knowledge of its files. If the description enables DoD Component personnel to locate the record with reasonable effort, the description is adequate. The fact that a FOIA request is broad or burdensome in its magnitude does not, in and of itself, entitle a DoD Component to deny the request on the ground that it does not reasonably describe the records sought. The key factor is the

ability of the DoD Component's staff to reasonably ascertain and locate which records are being requested.

(i) *Referrals.* (1) The DoD FOIA referral policy is based upon the concept of the originator of a record making a release determination on its information. If a DoD Component receives a request for records originated by another DoD Component, it shall contact the DoD Component to determine if it also received the request, and if not, obtain concurrence from the other DoD Component to refer the request. In either situation, the requester shall be advised of the action taken, unless exempt information would be revealed. While referrals to originators of information result in obtaining the best possible decision on release of the information, the policy does not relieve DoD Components from the responsibility of making a release decision on a record should the requester object to referral of the request and the record. Should this situation occur, DoD Components shall still coordinate with the originator of the information prior to making a release determination. A request received by a DoD Component having no records responsive to a request shall be referred routinely to another DoD Component, if the other DoD Component has reason to believe it has the requested record. Prior to notifying a requester of a referral to another DoD Component, the DoD Component receiving the initial request shall consult with the other DoD Component to determine if that DoD Component's association with the material is exempt. If the association is exempt, the DoD Component receiving the initial request will protect the association and any exempt information without revealing the identity of the protected DoD Component. The protected DoD Component shall be responsible for submitting the justifications required in any litigation. Any DoD Component receiving a request that has been misaddressed shall refer the request to the proper address and advise the requester. DoD Components making referrals of requests or records shall include with the referral, a point of contact by name, a telephone number, and an e-mail address.

(2) A DoD Component shall refer for response directly to the requester, a FOIA request for a record that it holds to another DoD Component or agency outside the DoD, if the record originated in the other DoD Component or outside agency. Whenever a record or a portion of a record is refered to another DoD Component or to a Government Agency outside of the DoD for a release determination and direct response, the requester shall be informed of the referral, unless it has been determined that notification would reveal exempt information. Referred records shall only be identified to the extent consistent with security requirements.

(3) A DoD Component may refer a request for a record that it originated to another DoD Component or agency when the other DoD Component or agency has a valid interest in the record, or the record was created for the use of the other DoD Component or agency. In such situations, provide the record and a release recommendation on the record with the referral action. An example of such a situation is a request for audit reports prepared by the Defense Contract Audit Agency. These advisory reports are prepared for the use of contracting officers and their release to the audited contractor shall be at the discretion of the contracting officer. A FOIS request shall be referred to the appropriate DoD Component and the requester shall be notified of the referral, unless exempt information would be revealed. Another example is a record originated by a DoD Component or agency that involves foreign relations, and could affect a DoD Component or organization in a host foreign country. Such a request and any responsive records my be referred to the affected DoD Component or organization for consultation prior to a final release determination within the Department of Defense. See also § 286.22(e).

(4) Within the Department of Defense, a DoD Component shall ordinarily refer a FOIA request and a copy of the record it holds, but that was originated by another DoD Component or that contains substantial information obtained from another DoD Component, to the Component for direct response, after direct coordination and

obtaining concurrence from the Component. The requester then shall be notified of such referral. DoD Components shall not, in any case, release or deny such records without prior consultation with the other DoD Component, except as provided in § 286.22(e).

(5) DoD Components that receive referred requests shall answer them in accordance with the time limits established by the FOIA, this part, and their multitrack processing queues, based upon the date of initial receipt of the request at the referring component or agency.

(6) Agencies outside the Department of Defense that are subject to the FOIA.

(i) A DoD Component may refer a FOIA request for any record that originated in an agency outside the Department of Defense or that is based on information obtained from an outside agency to the agency for direct response to the requester after coordination with the outside agency, if that agency is subject to FOIA. Otherwise, the DoD Component must respond to the request.

(ii) A DoD Component shall refer to the agency that provided the record any FOIA request for investigative, intelligence, or any other type of records that are on loan to the Department of Defense for a specific purpose, if the records are restricted from further release and so marked. However, if for investigative or intelligence purposes, the outside agency desires anonymity, a DoD Component may only respond directly to the requester after coordination with the outside agency.

(7) DoD Components that receive requests for records of the National Security Council (NSC), the White House, or the White House Military Office (WHMO) shall process the requests. DoD records in which the NSC or White House has a concurrent reviewing interest, and NSC, White House, or WHMO records discovered in DoD Components' file shall be forwarded to the Office of the Assistant Secretary of Defense (Public Affairs) (OASD(PA)), Attn: Directorate For Freedom of Information and Security Review (DFOISR). The DFOISR shall coordinate with the NSC, White House, or WHMO and return the records to the originating agency after coordination.

(8) To the extent referrals are consistent with the policies expressed by this paragraph (i) referrals between offices of the same DoD Component are authorized.

(9) On occasion, the Department of Defense receives FOIA requests for General Accounting Office (GAO) records containing DoD information. Even though the GAO is outside the Executive Branch, and not subject to the FOIA, all FOIA requests for GAO documents containing DoD information received either from the public, or on referral from the GAO, shall be processed under the provisions of the FOIA.

(j) *Authentication.* Records provided under this part shall be authenticated with an appropriate seal, whenever necessary, to fulfill an official Government or other legal function. This service, however, is in addition to that required under the FOIA and is not included in the FOIA fee schedule. DoD Components may charge for the service at a rate of $5.20 for each authentication.

(k) *Combatant Commands.* (1) The Combatant Commands are placed under the jurisdiction of the OSD, instead of the administering Military Department or the Chairman of the Joint Chiefs of Staff, only for the purpose of administering the DoD FOIA Program. This policy represents an exception to the policies directed in DoD Directive 5100.3,[3] it authorizes and requires the Combatant Commands to process FOIA requests in accordance with DoD Directive 5400.7 and this part. The Combatant Commands shall forward directly to the OASD(PA) all correspondence associated with the appeal of an initial denial for records under the provisions of the FOIA. Procedures to effect this administrative requirement are outlined in appendix A to this part.

(2) Combatant Commands shall maintain an electronic reading room for FOIA-processed 5 U.S.C. 552(a)(2)(D) records in accordance with subpart B of this part. Records qualifying for this means of public access also shall be

[3] See footnote 1 to § 286.1(a).

maintained in hard copy for public access at Combatant Commands' respective locations.

(l) *Records management.* FOIA records shall be maintained and disposed of in accordance with the National Archives and Records Administration General Records Schedule, and DoD Component records schedules.

(m) *Relationship between the FOIA and the Privacy Act (PA).* Not all requesters are knowledgeable of the appropriate statutory authority to cite when requesting records. In some instances, they may cite neither Act, but will imply one or both Acts. For these reasons, the following guidelines are provided to ensure that requesters receive the greatest amount of access rights under both Acts:

(1) If the record is required to be released under the FOIA, the Privacy Act does not bear its disclosure. Unlike the FOIA, the Privacy Act applies only to U.S. citizens and aliens admitted for permanent residence.

(2) Requesters who seek records about themselves contained in a Privacy Act system of records and who cite or imply only the Privacy Act, will have their requests processed under the provisions of both the Privacy Act and the FOIA. If the Privacy Act system of records is exempt from the provisions of 5 U.S.C. 552a(d)(1), the requester shall be so advised with the appropriate Privacy Act exemption, and then further advised that the information was therefore reviewed for release under the FOIA.

(3) Requesters who seek records about themselves that are not contained in a Privacy Act system of records and who cite or imply the Privacy Act will have their requests processed under the provisions of the FOIA, since the Privacy Act does not apply to these records.

(4) Requesters who seek records about themselves that are contained in a Privacy Act system of records and who cite or imply the FOIA or both Acts will have their requests processed under the provisions of both the Privacy Act and the FOIA. If the Privacy Act system of records is exempt from the provisions of 5 U.S.C. 552a(d)(1) the requester shall be so advised with the appropriate Privacy Act exemption, and then further advised that the information was therefore reviewed for release under the FOIA.

(5) Requesters who seek access to agency records that are not part of a Privacy Act system of records, who cite or imply the Privacy Act and FOIA, will have their requests processed under the FOIA since the Privacy Act does not apply to these records.

(6) Requesters who seek access to agency records and who cite or simply the FOIA will have their requests processed under the FOIA.

(7) Requesters shall be advised in final response which Act was used.

(n) *Non-responsive information in responsive records.* DoD Components shall interpret FOIA requests liberally when determining which records are responsive to the requests, and may release non-responsive information. However, should DoD Components desire to withhold non-responsive information, the following steps shall be accomplished.

(1) Consult with the requester, and ask if the requester views the information as responsive, and if not, seek the requester's concurrence to deletion of non-responsive information without a FOIA exemption. Reflect this concurrence in the response letter.

(2) If the responsive record is ''unclassified,'' and the requester does not agree to deletion of non-responsive information without a FOIA exemption, release all non-responsive and responsive information which is not exempt. For non-responsive information that is exempt, notify the requester that even if the information were determined responsive, it would likely be exempt under (state appropriate exemption(s)). Advise the requester of the right to request this information under a separate FOIA request. The separate request shall be placed in the same location within the processing queue as the original request.

(3) If the responsive record is ''classified,'' and the requester does not agree to deletion of non-responsive information without a FOIA exemption, release all unclassified responsive and non-responsive information which is

not exempt. If the non-responsive information is exempt, follow the procedures in paragraph (n)(2) of this section. The classified, non-responsive information need not be reviewed for declassification at this point. Advise the requester than even if the classified information were determined responsive, it would likely be exempt under 5 U.S.C. 552(b)(1), and other exemptions if appropriate. Advise the requester of the right to request this information under separate FOIA request. The separate request shall be placed in the same location within the processing queue as the original request.

(o) *Honoring form or format requests.* DoD Components shall provide the record in any form or format requested by the requester if the record is readily reproducible in that form or format. DoD Components shall make reasonable efforts to maintain their records in forms or formats that are reproducible. In responsiding to requests for records, DoD Components shall make reasonable efforts to search for records in electronic form or format, except when such efforts would significantly interfere with the operation of the DoD Components' automated information system. Such determinations shall be made on a case by case basis. See also paragraph (g)(2) of this section.

[62 FR 35351, July 1, 1997, as amended at 62 FR 38197, July 16, 1997]

Subpart B—FOIA Reading Rooms

§ 286.7 Requirements.

(a) *Reading room.* Each DoD Component shall provide an appropriate facility or facilities where the public may inspect and copy or have copied the records described in paragraph (b) of this section and § 286.8(a). In addition to the records described in paragraph (b) of this section and § 286.8(a), DoD Components may elect to place other records in their reading room, and also make them electronically available to the public. DoD Components may share reading room facilities if the public is not unduly inconvenienced, and also may establish decentralized reading rooms. When appropriate, the cost of copying may be imposed on the person requesting the material in accordance with the provisions of subpart F of this part.

(b) *Record availability.* The FOIA requires that records described in 5 U.S.C. 552(a)(2)(A), (B), (C), and (D) created on or after November 1, 1996, shall be made available electronically by November 1, 1997, as well as in hard copy in the FOIA reading room for inspection and copying, unless such records are published and copies are offered for sale. Personal privacy information, that if disclosed to a third party requester, would result in an invasion of the first party's personal privacy, and contractor submitted information, that if disclosed to a competing contractor, would result in competitive harm to the submitting contractor shall be deleted from all 5 U.S.C. 552(a)(2) records made available to the general public. In every case, justification for the deletion must be fully explained in writing, and the extent of such deletion shall be indicated on the record which is made publicly available, unless such indication would harm an interest protected by an exemption under which the deletion was made. If technically feasible, the extent of the deletion in electronic records or any other form of record shall be indicated at the place in the record where the deletion was made. However, a DoD Component may publish in the Federal Register a description of the basis upon which it will delete identifying details of particular types of records to avoid clearly unwarranted invasions of privacy, or competitive harm to business submitters. In appropriate cases, the DoD Component may refer to this description rather than write a separate justification for each deletion. 5 U.S.C. 552(a)(2)(A), (B), (C), and (D) records are:

(1) *(a)(2)(A) records.* Final opinions, including concurring and dissenting opinions, and orders made in the adjudication of cases, as defined in 5 U.S.C. 552, that may be cited, used, or relied upon as precedents in future adjudications.

(2) *(a)(2)(B) records.* Statements of policy and interpretations that have been adopted by the agency and are not published in the FEDERAL REGISTER.

(3) *(a)(2)(C) records.* Administrative staff manuals and instructions, or portions thereof, that establish DoD policy or interpretations of policy that affect a member of the public. This provision does not apply to instructions for employees on tactics and techniques to be used in performing their duties, or to instructions relating only to the internal management of the DoD Component. Examples of manuals and instructions not normally made available are:

(i) Those issued for audit, investigation, and inspection purposes, or those that prescribe operational tactics, standards of performance, or criteria for defense, prosecution, or settlement of cases.

(ii) Operations and maintenance manuals and technical information concerning munitions, equipment, systems, and intelligence activities.

(4) *(a)(2)(D) records.* Those 5 U.S.C. 552(a)(3) records, which because of the nature of the subject matter, have become or are likely to become the subject of subsequent requests for substantially the same records. These records are referred to as ''FOIA-processed (a)(2) records.''

(i) DoD Components shall decide on a case by case basis whether records fall into this category, based on the following factors:

(A) Previous experience of the DoD Component with similar records.

(B) Particular circumstances of the records involved, including their nature and the type of information contained in them.

(C) The identity and number of requesters and whether there is widespread press, historic, or commercial interest in the records.

(ii) This provision is intended for situations where public access in a timely manner is important, and it is not intended to apply where there may be a limited number of requests over a short period of time from a few requesters. DoD Components may remove the records from this access medium when the appropriate officials determine that access is no longer necessary.

(iii) Should a requester submit a FOIA request for FOIA-processed (a)(2) records, and insist that the request be processed, DoD Components shall process the FOIA request. However, DoD Components have no obligation to process a FOIA request for 5 U.S.C. 552 (a)(2) (A), (B), and (C) records because these records are required to be made public and not FOIA-processed under paragraph (a)(3) of the FOIA.

(iv) DoD Components have no obligation to provide electronic or hard copy reading room access to any (a)(2) record (inclusive of FOIA-processed (a)(2) records) originating outside their respective organizations.

§ 286.8 Indexes.

(a) *''(a)(2)'' Materials.* (1) Each DoD Component shall maintain in each facility prescribed in § 286.7(a), an index of materials described in § 286.7(b), that are issued, adopted, or promulgated, after July 4, 1967. No ''(a)(2)'' materials issued, promulgated, or adopted after July 4, 1967, that are not indexed and either made available or published may be relied upon, used or cited as precedent against any individual unless such individual has actual and-timely notice of the contents of such materials. Such materials issued, promulgated, or adopted before July 4, 1967, need not be indexed, but must be made available upon request if not exempted under this part.

(2) Each DoD Component shall promptly published quarterly or more frequently, and distribute, by sale or otherwise, copies of each index of ''(a)(2)'' materials or supplements thereto unless it publishes in the FEDERAL REGISTER an order containing a determination that publication is unnecessary and impracticable. A copy of each index or supplement not published shall be provided to a requester at a cost not to exceed the direct cost of duplication as set forth in subpart F of this part.

(3) Each index of ''(a)(2)'' materials or supplement thereto shall be arranged topical or by descriptive words rather than by case name or numbering system so that members of the public can readily locate material. Case name and numbering arrangements, however, may also be included for DoD Components convenience.

(4) A general index of FOIA-processed (a)(2) records referred to in § 286.7(b)(4), shall be made available to the public,

both in hard copy and electronically by December 31, 1999.

(b) *Other materials.* (1) Any available index of DoD Component material published in the FEDERAL REGISTER, such as material required to be published by Section 552(a)(1) of the FOIA, shall be made available in DoD Component FOIA reading rooms, and electronically to the public.

(2) Although not required to be made available in response to FOIA requests or made available in FOIA Reading Rooms, ''(a)(1)'' materials shall, when feasible, be made available to the public in FOIA reading rooms for inspection and copying, and by electronic means. Examples of ''(a)(1)'' materials are: descriptions of any agency's central and field organization, and to the extent they affect the public, rules of procedures, descriptions of forms available, instruction as to the scope and contents of papers, reports, or examinations, and any amendment, revision, or report of the aforementioned.

Subpart C—Exemptions

§ 286.11 General provisions.

Records that meet the exemption criteria of the FOIA may be withheld from public disclosure and need not be published in the FEDERAL REGISTER, made available in a library reading room, or provided in response to a FOIA request.

§ 286.12 Exemptions.

FOIA exemptions. The following types of records may be withheld in whole or in part from public disclosure under the FOIA, unless otherwise prescribed by law: (A discretionary release of a record (see also § 286.4(e)) to one requester shall prevent the withholding of the same record under a FOIA exemption if the record is subsequently requested by someone else. However, a FOIA exemption may be invoked to withhold information that is similar or related that has been the subject of a discretionary release. In applying exemptions, the identity of the requester and the purpose for which the record is sought are irrelevant with the exception that an exemption may not be invoked where the particular interest to be protected is the requester's interest.)

(a) *Number 1 (5 U.S.C. 552(b)(1)).* Those properly and currently classified in the interest of national defense or foreign policy, as specifically authorized under the criteria established by Executive Order and implemented by regulations, such as DoD 5200.1–R.[4] Although material is not classified at the time of the FOIA request, a classification review may be undertaken to determine whether the information should be classified. The procedures in DoD 5200.1–R apply. If the information qualifies as exemption 1 information, there is no discretion regarding its release. In addition, this exemption shall be invoked with the following situations are apparent:

(1) The fact of the existence or nonexistence of a record would itself reveal classified information. In this situation, Components shall neither confirm nor deny the existence or nonexistence of the record being requested. A ''refusal to confirm or deny'' response must be used consistently, not only when a record exists, but also when a record does not exist. Otherwise, the pattern of using a ''no record'' response when a record does not exist, and a ''refusal to confirm or deny'' when a record does exist will itself disclose national security information.

(2) Compilations of items of information that are individually unclassified may be classified if the compiled information reveals additional association or relationship that meets the standard for classification under existing executive order for classification and DoD 5200.1–R, and is not otherwise revealed in the individual items of information.

(b) *Number 2 (5 U.S.C. 552(b)(2)).* Those related solely to the internal personnel rules and practice of the Department of Defense or any of its Components. This exemption is entirely discretionary. This exemption has two profiles, high (b)(2) and low (b)(2). Paragraph (b)(2) of this section contains a brief discussion on the low (b)(2) profile; however. that discussion is for information purposes

[4] See footnote 1 to § 286.1(a).

only. When only a minimum Government interest would be affected (administrative burden), there is a great potential for discretionary disclosure of the information. Consequently, DoD Components shall not invoke the low (b)(2) profile.

(1) Records qualifying under high (b)(2) are those containing or constituting statutes, rules, regulations, orders, manuals, directives, instructions, and security classification guides the release of which would allow circumvention of these records thereby substantially hindering the effective performance of a significant function of the Department of Defense. Examples include:

(i) Those operating rules, guidelines, and manuals for DoD investigators, inspectors, auditors, or examiners that must remain privileged in order for the DoD Component to fulfill a legal requirement.

(ii) Personnel and other administrative matters, such as examination questions and answers used in training courses or in the determination of the qualifications of candidates for employment, entrance on duty, advancement, or promotion.

(iii) Computer software, the release of which would allow circumvention of a statute or DoD rules, regulations, orders, manuals, directives, or instructions. In this situation, the use of the software must be closely examined to ensure a circumvention possibility exists.

(2) Records qualifying under the low (b)(2) profile are those that are trivial and housekeeping in nature for which there is not legitimate public interest or benefit to be gained by release, and it would constitute an administrative burden to process the request in order to disclose the records. Examples include rules of personnel's use of parking facilities or regulation of lunch hours, statements of policy as to sick leave, and administrative data such as file numbers, mail routing stamps, initials, data processing notations, brief references to previous communications, and other like administrative markings. DoD Components shall not invoke the low (b)(2) profile.

(c) *Number 3 (5 U.S.C. 552 (b)(3))*. Those concerning matters that a statute specifically exempts from disclosure by terms that permit no discretion on the issue, or in accordance with criteria established by that statute for withholding or referring to particular types of matters to be withheld. The Directorate for Freedom of information and Security Review, Office of the Assistant Secretary of Defense for Public Affairs maintains a list of (b)(3) statutes used within the Department of Defense, and provides updated lists of these statutes to DoD Components on a periodic basis. A few examples of such statutes are:

(1) Patent Secrecy, 35 U.S.C. 181–188. Any records containing information relating to inventions that are the subject of patent applications on which Patent Secrecy Orders have been issued.

(2) Restricted Data and Formerly Restricted Data, 42 U.S.C. 2162.

(3) Communication Intelligence, 18 U.S.C. 798.

(4) Authority to Withhold From Public Disclosure Certain Technical Data, 10 U.S.C. 130 and DoD Directive 5230.25.[5]

(5) Confidentiality of Medical Quality Assurance Records: Qualified Immunity for Participants, 10 U.S.C. 1102f.

(6) Physical Protection of Special Nuclear Material: Limitation on Dissemination of Unclassified Information, 10 U.S.C. 128.

(7) Protection of Intelligence Sources and Methods, 50 U.S.C. 403–3(c)(5).

(8) Protection of Contractor Submitted Proposals, 10 U.S.C. 2305(g).

(9) Procurement Integrity, 41 U.S.C. 423.

(d) *Number 4 (5 U.S.C. 552(b)(4))*. Those containing trade secrets or commercial or financial information that a DoD Component receives from a person or organization outside the Government with the understanding that the information or record will be retained on a privileged or confidential basis in accordance with the customary handling of such records. Records within the exemption must contain trade secrets, or commercial or financial records, the disclosure of which is likely to cause substantial harm to the competitive position of the source providing the information; impair the Government's

[5] See footnote 1 § 286.1(a).

ability to obtain necessary information in the future; or impair some other legitimate Government interest. Commercial or financial information submitted on a voluntary basis, absent any exercised authority prescribing criteria for submission is protected without any requirement to show competitive harm (see paragraph (d)(8) of this section). If the information qualifies as exemption 4 information, there is no discretion in its release. Examples include:

(1) Commercial or financial information received in confidence in connection with loans, bids, contracts, or proposals set forth in or incorporated by reference in a contract entered into between the DoD Component and the offeror that submitted the proposal, as well as other information received in confidence or privileged, such as trade secrets, inventions, discoveries, or other proprietary data. See also § 286.23(h)(2). Additionally, when the provisions of 10 U.S.C. 2305(g) and 41 U.S.C. 423 are met, certain proprietary and source selection information may be withheld under exemption 3.

(2) Statistical data and commercial or financial information concerning contract performance, income, profits, losses, and expenditures, if offered and received in confidence from a contractor or potential contractor.

(3) Personal statements given in the course of inspections, investigations, or—audits, when such statements are received in confidence from the individual and retained in confidence because they reveal trade secrets or commercial or financial information normally considered confidential or privileged.

(4) Financial data provided in confidence by private employers in connection with locality wage surveys that are used to fix and adjust pay schedules applicable to the prevailing wage rate of employees within the Department of Defense.

(5) Scientific and manufacturing processes or developments concerning technical or scientific data or other information submitted with an application for a research grant, or with a report while research is in progress.

(6) Technical or scientific data developed by a contractor or subcontractor exclusively at private expense, and technical or scientific data developed in part with Federal funds and in part at private expense, wherein the contractor or subcontractor has retained legitimate proprietary interests in such data in accordance with 10 U.S.C. 2320–2321 and DoD Federal Acquisition Regulation Supplement (DFARS), chapter 2 of 48 CFR, subpart 227.71–227.72. Technical data developed exclusively with Federal funds may be withheld under Exemption Number 3 if it meets the criteria of 10 U.S.C. 130 and DoD Directive 5230.25 (see paragraph (c)(5) of this section).

(7) Computer software which is copyrighted under the Copyright Act of 1976 (17 U.S.C. 106), the disclosure of which would have an adverse impact on the potential market value of a copyrighted work.

(8) Proprietary information submitted strictly on a voluntary basis, absent any exercised authority prescribing criteria for submission. Examples of exercised authorities prescribing criteria for submission are statutes, Executive Orders, regulations, invitations for bids, requests for proposals, and contracts. Submission of information under these authorities is not voluntary. (See also § 286.23(h)(3))

(e) *Number 5 (5 U.S.C. 552 (b)(5))*. Those containing information considered privileged in litigation, primarily under the deliberative process privilege. Except as provided in paragraphs (e)(2) through (e)(5) of this section internal advice, recommendations, and subjective evaluations, as contrasted with factual matters, that are reflected in deliberative records pertaining to the decision-making process of an agency, whether within or among agencies (as defined in 5 U.S.C. 552(e)), or within or among DoD Components. In order to meet the test of this exemption, the record must be both deliberative in nature, as well as part of a decision-making process. Merely being an internal record in insufficient basis for withholding under this exemption. Also potentially exempted are records pertaining to the attorney-client privilege and the attorney work-product privilege. This exemption is entirely discretionary.

(1) Examples of the deliberative process include:

(i) The non factual portions of staff papers, to include after-action reports, lessons learned, and situation reports containing staff evaluations, advice, opinions, or suggestions.

(ii) Advice, suggestions, or evaluations prepared on behalf of the Department of Defense by individual consultants or by boards, committees, councils, groups, panels, conferences, commissions, task forces, or other similar groups that are formed for the purpose of obtaining advice and recommendations.

(iii) Those non factual portions of evaluations by DoD Component personnel of contractors and their products.

(iv) Information of a speculative, tentative, or evaluative nature or such matters as proposed plans to procure, lease or otherwise acquire and dispose of materials, real estate, facilities or functions, when such information would provide undue or unfair competitive advantage to private personal interests or would impede legitimate government functions.

(v) Trade secret or other confidential research development, or commercial information owned by the Government, where premature release is likely to affect the Government's negotiating position or other commercial interest.

(vi) Records that are exchanged among agency personnel and within and among DoD Components or Agencies as part of the preparation for anticipated administrative proceeding by an Agency or litigation before any Federal, State, or military court, as well as records that quality for the attorney-client privilege.

(vii) Those portions of official reports of inspection, reports of the Inspector Generals, audits, investigations, or surveys pertaining to safety, security, or the internal management, administration, or operation of one or more DoD Components, when these records have traditionally been treated by the courts as privileged against disclosure in litigation.

(viii) Planning, programming, and budgetary information that is involved in the defense planning and resource allocation process.

(2) If any such intra- or inter-agency record or reasonably segregable portion of such record hypothetically would be made available routinely through the discovery process in the course of litigation with the Agency, then it should not be withheld under the FOIA. If, however, the information hypothetically would not be released at all, or would only be released in a particular case during civil discovery where a party's particularized showing of need might override a privilege, then the record may be withheld. Discovery is the formal process by which litigants obtain information from each other for use in the litigation. Consult with legal counsel to determine whether exemption 5 material would be routinely made available through the discover process.

(3) Intra- or inter-agency memoranda or letters that are factual, or those reasonably segregable portions that are factual, are routinely made available through discovery, and shall be made available to a requester, unless the factual material is otherwise exempt from release, inextricably intertwined with the exemption information, so fragmented as to be uninformative, or so redundant of information already available to the requester as to provide no new substantive information.

(4) A direction or order from a superior to a subordinate, though contained in an internal communication, generally cannot be withheld from a requester if it constitutes policy guidance or a decision, as distinguished from a discussion of preliminary matters or a request for information or advice that would compromise the decision-making process.

(5) An internal communication concerning a decision that subsequently has been made a matter of public record must be made available to a requester when the rationale for the decision is expressly adopted or incorporated by reference in the record containing the decision.

(f) *Number 6 (5 U.S.C. 552(b)(6)).* Information in personnel and medical files, as well as similar personal information in other files, that, if disclosed to a requester, other than the person about whom the information is about, would

result in a clearly unwarranted invasion of personal privacy. Release of information about an individual contained in a Privacy Act System of records that would constitute a clearly unwarranted invasion of privacy is prohibited, and could subject the releaser to civil and criminal penalties. If the information qualifies as exemption 6 information, there is no discretion in its release.

(1) Examples of other files containing personal information similar to that contained in personnel and medical files include:

(i) Those compiled to evaluate or adjudicate the suitability of candidates for civilian employment or membership in the Armed Forces, and the eligibility of individuals (civilian, military, or contractor employees) for security clearances, or for access to particularly sensitive classified information.

(ii) Files containing reports, records, and other material pertaining to personnel matters in which administrative action, including disciplinary action, may be taken.

(2) Home addresses are normally not releasable without the consent of the individuals concerned. This includes lists of home addresses and military quarters' addresses without the occupant's name. In addition, DoD military and civilian personnel's names and duty addresses who are assigned to units that are sensitive, routinely deployable, or stationed in foreign territories can constitute a clearly unwarranted invasion of personal privacy.

(i) *Privacy Interest.* A privacy interest may exist in personal information even though the information has been disclosed at some place and time. If personal information is not freely available from sources other than the Federal Government, a privacy interest exists in its nondisclosure. The fact that the Federal Government expended funds to prepare, index and maintain records on personal information, and the fact that a requester invokes FOIA to obtain these records indicates the information is not freely available.

(ii) Names and duty addresses published in telephone directories, organizational charts, rosters and similar materials for personnel assigned to units that are sensitive, routinely deployable, or stationed in foreign territories are withholdable under this exemption.

(3) This exemption shall not be used in an attempt to protect the privacy of a deceased person, but it may be used to protect the privacy of the deceased person's family if disclosure would rekindle grief, anguish, pain, embarrassment, or even disruption of peace of mind of surviving family members. In such situations, balance the surviving family members' privacy against the public's right to know to determine if disclosure is in the public interest. Additionally, the deceased's social security number should be withheld since it is used by the next of kin to receive benefits. Disclosures may be made to the immediate next of kin as defined in DoD Directive 5154.24[6].

(4) When the subject of an investigative report is the requester of the record and the report is contained in a Privacy Act system of records, it may only be denied to the requester if withholding is both authorized by DoD 5400.11–R[7], and by exemption 6 of the FOIA.

(5) A clearly unwarranted invasion of the privacy of third parties identified in a personnel, medical or similar record constitutes a basis for deleting those reasonably segregable portions of that record. When withholding third party personal information from the subject of the record and the record is contained in a Privacy Act system of records, consult with legal counsel.

(6) This exemption also applies when the fact of the existence or nonexistence of a responsive record would itself reveal personally private information, and the public interest in disclosure is not sufficient to outweigh the privacy interest. In this situation, DoD Components shall neither confirm nor deny the existence or nonexistence of the record being requested. This is a Glomar response, and exemption 6 must be cited in the response. Additionally, in order to insure personal privacy is not violated during referrals, DoD Components shall coordinate with other DoD Components or Federal

[6] See footnote 1 to § 286.1(a).
[7] See footnote 1 to § 286.1(a).

Agencies before referring a record that is exempt under the Glomar concept.

(i) A ''refusal to confirm or deny'' response must be used consistently, not only when a record exists, but also when a record does not exist. Otherwise, the pattern of using a ''no records'' response when a record does not exist and a ''refusal to confirm or deny'' when a record does exist will itself disclose personally private information.

(ii) Refusal to confirm or deny should not be used when:

(A) The person whose personal privacy is in jeopardy has provided the requester a waiver of his or her privacy rights;

(B) The person initiated or directly participated in an investigation that lead to the creation of an agency record seeks access to that record; or

(C) the person whose personal privacy is in jeopardy is deceased, the Agency is aware of that fact, and disclosure would not invade the privacy of the deceased's family. See paragraph (f) (3) of this section.

(g) *Number 7 (5 U.S.C. 552(b)(7))*. Records or information compiled for law enforcement purposes; i.e., civil, criminal, or military law, including the implementation of Executive Orders or regulations issued pursuant to law. This exemption may be invoked to prevent disclosure of documents not originally created for, but later gathered for law enforcement purposes. With the exception of parts (C) and (F) (see paragraph (g)(1)(iii) of this section) exemption 7 of the FOIA, this exemption is discretionary. If information qualifies as exemption (7)(C) or (7)(F) of the FOIA (see paragraph (g)(1)(iii) of this section) information, there is no discretion in its release.

(1) This exemption applies, however, only to the extent that production of such law enforcement records or information could result in the following:

(i) Could reasonably be expected to interfere with enforcement proceedings (5 U.S.C. 552(b)(7)(A)).

(ii) Would deprive a person of the right to a fair trial or to an impartial adjudication (5 U.S.C. 552(b)(7)(B)).

(iii) Could reasonably be expected to constitute an unwarranted invasion of personal privacy of a living person, including surviving family members of an individual identified in such a record (5 U.S.C. 552(b)(7)(C)).

(A) This exemption also applies when the fact of the existence or nonexistence of a responsive record would itself reveal personally private information, and the public interest in disclosure is not sufficient to outweigh the privacy interest. In this situation, Components shall neither confirm nor deny the existence or nonexistence of the record being requested. This is a Glomar response, and exemption (7)(C) must be cited in the response. Additionally, in order to insure personal privacy is not violated during referrals, DoD Components shall coordinate with other DoD Components or Federal Agencies before referring a record that is exempt under the Glomar concept.

(B) A ''refusal to confirm or deny'' response must be used consistently, not only when a record exists, but also when a record does not exist. Otherwise, the pattern of using a ''no records'' response when a record does not exist and a ''refusal to confirm or deny'' when a record does exist will itself disclose personally private information.

(C) Refusal to confirm or deny should not be used when:

(*1*) The person whose personal privacy is in jeopardy has provided the requester with a waiver of his or her privacy rights; or

(*2*) The person whose personal privacy is in jeopardy is deceased, and the Agency is aware of that fact.

(iv) Could reasonably be expected to disclose the identity of a confidential source, including a source within the Department of Defense; a State, local, or foreign agency or authority; or any private institution that furnishes the information on a confidential basis; and could disclose information furnished from a confidential source and obtained by a criminal law enforcement authority in a criminal investigation or by an agency conducting a lawful national security intelligence investigation (5 U.S.C. 552(b)(7)(D)).

(v) Would disclose techniques and procedures for law enforcement investigations or prosecutions, or would disclose guidelines for law enforcement investigations or prosecutions if such

disclosure could reasonably be expected to risk circumvention of the law (5 U.S.C. 552(b)(7)(E)).

(vi) Could reasonably be expected to endanger the life or physical safety of any individual (5 U.S.C. 552(b)(7)(F)).

(2) Some examples of exemption 7 are:

(i) Statements of witnesses and other material developed during the course of the investigation and all materials prepared in connection with related Government litigation or adjudicative proceedings.

(ii) The identity of firms or individuals being investigated for alleged irregularities involving contracting with the Department of Defense when no indictment has been obtained nor any civil action filed against them by the United States.

(iii) Information obtained in confidence, expressed or implied, in the course of a criminal investigation by a criminal law enforcement agency or office within a DoD Component, or a lawful national security intelligence investigation conducted by an authorized agency or office within a DoD Component. National security intelligence investigations include background security investigations and those investigations conducted for the purpose of obtaining affirmative or counterintelligence information.

(3) The right of individual litigants to investigative records currently available by law (such as, the Jencks Act, 18 U.S.C. 3500) is not diminished.

(4) When the subject of an investigative report is the requester of the record and the report is contained in a Privacy Act system of records, it may only be denied to the requester if withholding is both authorized by DoD 5400.11R, and by exemption 7 of the FOIA.

(5) *Exclusions.* Excluded from the exemption in this paragraph (g), are the following two situations applicable to the Department of Defense (Components considering invoking an exclusion should first consult with the Department of Justice, Office of Information and Privacy.):

(i) Whenever a request is made that involves access to records or information compiled for law enforcement purposes, and the investigation or proceeding involves a possible violation of criminal law where there is reason to believe that the subject of the investigation or proceeding is unaware of its pendency, and the disclosure of the existence of the records could reasonably be expected to interfere with enforcement proceedings, Components may, during only such times as that circumstance continues, treat the records or information as not subject to the FOIA. In such situation, the response to the requester will state that no records were found.

(ii) Whenever informant records maintained by a criminal law enforcement organization within a DoD Component under the informant's name or personal identifier are requested by a third party using the informant's name or personal identifier, the Component may treat the records as not subject to the FOIA, unless the informant's status as an informant has been officially confirmed. If it is determined that the records are not subject to 5 U.S.C. 552(b)(7), the response to the requester will state that no records were found.

(h) *Number 8 (5 U.S.C. 552(b)(8)).* Those contained in or related to examination, operation or condition reports prepared by, on behalf of, or for the use of any agency responsible for the regulation or supervision of financial institutions.

(i) *Number 9 (5 U.S.C. 552(b)(9)).* Those containing geological and geophysical information and data (including maps) concerning wells.

[62 FR 35351, July 1, 1997, as amended at 62 FR 38197, July 16, 1997]

Subpart D—For Official Use Only

§ 286.15 General provisions.

(a) *General.* Information that has not been given a security classification pursuant to the criteria of an Executive Order, but which may be withheld from the public for one or more of the reasons cited in FOIA exemptions 2 through 9 (see subpart C of this part) shall be considered as being for official use only. No other material shall be considered or marked ''For Official Use Only'' (FOUO), and FOUO is not authorized as an anemic form of classification to protect national security interests. Additional information on

FOUO and other controlled, unclassified information may be found in DoD 5200.1–R.

(b) *Prior FOUO application.* The prior application of FOUO markings is not a conclusive basis for withholding a record that is requested under the FOIA. When such a record is requested, the information in it shall be evaluated to determine whether, under current circumstances, FOIA exemptions apply in withholding the record or portions of it. If any exemptions apply, the record may nonetheless be released as a discretionary matter when it is determined that no governmental interest will be jeopardized by its release.

(c) *Historical papers.* Records such as notes, working papers, and drafts retained as historical evidence of DoD Component actions enjoy no special status apart from the exemptions under the FOIA.

(d) *Time to mark records.* The marking of records at the time of their creation provides notice of FOUO content and facilitates review when a record is requested under the FOIA. Records requested under the FOIA that do not bear such markings shall not be assumed to be releasable without examination for the presence of information that requires continued protection and qualifies as exempt from public release.

(e) *Distribution statement.* Information in a technical document that requires a distribution statement pursuant to DoD Directive 5230.24[8] shall bear that statement and may be marked FOUO, as appropriate.

§286.16 Markings.

Location of markings:

(a) An unclassified document containing FOUO information shall be marked ''For Official Use Only'' at the bottom on the outside of the front cover (if any), on each page containing FOUO information, and on the outside of the back cover (if any).

(b) Within a classified document, an individual page that contains both FOUO and classified information shall be marked at the top and bottom with the highest security classification of information appearing on the page. Individual paragraphs shall be marked at the appropriate classification level, as well as unclassified or FOUO, as appropriate.

(c) Within a classified document, an individual page that contains FOUO information but no classified information shall be marked ''For Official Use Only'' at the top and bottom of the page.

(d) Other records, such as photographs, films, tapes, or slides, shall be marked ''For Official Use Only'' or ''FOUO'' in a manner that ensures that a recipient or viewer is aware of the status of the information therein.

(e) FOUO material transmitted outside the Department of Defense requires application of an expanded marking to explain the significance of the FOUO marking. This may be accomplished by typing or stamping the following statement on the record prior to transfer.

This document contains information EXEMPT FROM MANDATORY DISCLOSURE under the FOIA. Exemption(s) . . . . . applies/apply.

§286.17 Dissemination and transmission.

(a) *Release and transmission procedures.* Until FOUO status is terminated, the release and transmission instructions that follow apply:

(1) FOUO information may be disseminated within DoD Components and between officials of DoD Components and DoD contractors, consultants, and grantees to conduct official business for the Department of Defense. Recipients shall be made aware of the status of such information, and transmission shall be by means that preclude unauthorized public disclosure. Transmittal documents shall call attention to the presence of FOUO attachments.

(2) DoD holders of FOUO information are authorized to convey such information to officials in other Departments and Agencies of the Executive and Judicial Branches to fulfill a government function, except to the extent prohibited by the Privacy Act. Records thus transmitted shall be marked ''For Official Use Only,'' and the recipient shall be advised that the information may qualify for exemption from public disclosure, pursuant to the FOIA, and

[8] See footnote 1 to §286.1(a).

that special handling instructions do or do not apply.

(3) Release of FOUO information to Members of Congress is governed by DoD Directive 5400.4.[9] Release to the GAO is governed by DoD Directive 7650.1.[10] Records released to the Congress or GAO should be reviewed to determine whether the information warrants FOUO status. If not, prior FOUO markings shall be removed or effaced. If withholding criteria are met, the records shall be marked FOUO and the recipient provided an explanation for such exemption and marking. Alternatively, the recipient may be requested, without marking the record, to protect against its public disclosure for reasons that are explained.

(b) *Transporting FOUO information.* Records containing FOUO information shall be transported in a manner that prevents disclosure of the contents. When not commingled with classified information, FOUO information may be sent via first-class mail or parcel post. Bulky shipments, such as distributions of FOUO Directives or testing materials, that otherwise qualify under postal regulations, may be sent by fourth-class mail.

(c) *Electronically and facsimile transmitted messages.* Each part of electronically and facsimile transmitted messages containing FOUO information shall be marked appropriately. Unclassified messages containing FOUO information shall contain the abbreviation ''FOUO'' before the beginning of the text. Such messages and facsimiles shall be transmitted in accordance with communications security procedures whenever practicable.

§ 286.18 Safeguarding FOUO information.

(a) *During duty hours.* During normal working hours, records determined to be FOUO shall be placed in an out-of-sight location if the work area is accessible to non-government personnel.

(b) *During nonduty hours.* At the close of business, FOUO records shall be stored so as to prevent unauthorized access. Filing such material with other unclassified records in unlocked files or desks, etc., is adequate when normal U.S. Government or Government-contractor internal building security is provided during nonduty hours. When such internal security control is not exercised, locked buildings or rooms normally provide adequate after-hours protection. If such protection is not considered adequate, FOUO material shall be stored in locked receptacles such as file cabinets, desks, or bookcases. FOUO records that are subject to the provisions of 50 U.S.C. 402 note shall meet the safeguards outlined for that group of records.

§ 286.19 Termination, disposal and unauthorized disclosure.

(a) *Termination.* The originator or other competent authority; e.g., initial denial and appellate authorities, shall terminate ''For Official Use Only'' markings or status when circumstances indicate that the information no longer requires protection from public disclosure. When FOUO status is terminated, all known holders shall be notified, to the extent practical. Upon notification, holders shall efface or remove the ''For Official Use Only'' markings, but records in file or storage need not be retrieved solely for that purpose.

(b) *Disposal.* (1) Nonrecord copies of FOUO materials may be destroyed by tearing each copy into pieces to prevent reconstructing, and placing them in regular trash containers. When local circumstances or experience indicates that this destruction method is not sufficiently protective of FOUO information, local authorities may direct other methods but must give due consideration to the additional expense balanced against the degree of sensitivity of the type of FOUO information contained in the records.

(2) Record copies of FOUO documents shall be disposed of in accordance with the disposal standards established under 44 U.S.C. 3301–3314, as implemented by DoD Component instructions concerning records disposal.

(c) *Unauthorized disclosure.* The unauthorized disclosure of FOUO records does not constitute an unauthorized disclosure of DoD information classified for security purposes. Appropriate administrative action shall be taken,

[9] See footnote 1 to § 286.1(a).

[10] See footnote 1 to § 286.1(a).

however, to fix responsibility for unauthorized disclosure whenever feasible, and appropriate disciplinary action shall be taken against those responsible. Unauthorized disclosure of FOUO information that is protected by the Privacy Act may also result in civil and criminal sanctions against responsible persons. The DoD Component that originated the FOUO information shall be informed of its unauthorized disclosure.

Subpart E—Release and Processing Procedures

§286.22 General provisions.

(a) *Public information.* (1) Since the policy of the Department of Defense is to make the maximum amount of information available to the public consistent with its other responsibilities, written requests for a DoD record made under the provisions of 5 U.S.C. 552(a)(3) of the FOIA may be denied only when:

(i) Disclosure would result in a foreseeable harm to an interest protected by a FOIA exemption, and the record is subject to one or more of the exemptions of the FOIA.

(ii) The record has not been described well enough to enable the DoD Component to locate it with a reasonable amount of effort by an employee familiar with the files.

(iii) The requester has failed to comply with the procedural requirements, including the written agreement to pay or payment of any required fee imposed by the instructions of the DoD Component concerned. When personally identifiable information in a record is requested by the subject of the record or his attorney, notarization of the request, or a statement certifying under the penalty of perjury that their identity is true and correct may be required. Additionally, written consent of the subject of the record is required for disclosure from a Privacy Act System of records, even to the subject's attorney.

(2) Individuals seeking DoD information should address their FOIA requests to one of the addresses listed in appendix B to this part.

(b) *Requests from private parties.* The provisions of the FOIA are reserved for persons with private interests as opposed to U.S. Federal Agencies seeking official information. Requests from private persons will be made in writing, and should clearly show all other addressees within the Federal Government to which the request was also sent. This procedure will reduce processing time requirements, and ensure better inter- and intra-agency coordination. However, if the requester does not show all other addressees to which the request was also sent, DoD Components shall still process the request. DoD Components should encourage requesters to send requests by mail, facsimile, or by electronic means. Disclosure of records to individuals under the FOIA is considered public release of information, except as provided for in §286.4(f) and §286.12.

(c) *Requests from government officials.* Requests from officials of State or local Governments for DoD Component records shall be considered the same as any other requester. Requests from members of Congress not seeking records on behalf of a Congressional Committee, Subcommittee, either House sitting as a whole, or made on behalf of their constituents shall be considered the same as any other requester (see also §286.4(f) and paragraph (d) of this section). Requests from officials of foreign governments shall be considered the same as any other requester. Requests from officials of foreign governments that do not invoke the FOIA shall be referred to appropriate foreign disclosure channels and the requester so notified.

(d) *Privileged release to U.S. government officials.* (1) Records exempt from release to the public under the FOIA may be disclosed in accordance with DoD Component regulations to agencies of the Federal Government, whether legislative, executive, or administrative, as follows:

(i) In response to a request of a Committee or Subcommittee of Congress, or to either House sitting as a whole in accordance with DoD Directive 5400.4;

(ii) To other Federal Agencies, both executive and administrative, as determined by the head of a DoD Component or designee;

(iii) In response to an order of a Federal court, DoD Components shall release information along with a description of the restrictions on its release to the public.

(2) DoD Components shall inform officials receiving records under the provisions of this paragraph that those records are exempt from public release under the FOIA. DoD Components also shall advise officials of any special handling instructions. Classified information is subject to the provisions of DoD 5200.1–R, and information contained in Privacy Act systems of records is subject to DoD 5400.11–R.

(e) *Consultation with affected DoD component.* (1) When a DoD Component receives a FOIA request for a record in which an affected DoD organization (including a Combatant Command) has a clear and substantial interest in the subject matter, consultation with that affected DoD organization is required. As an example, where a DoD Component receives a request for records related to DoD operations in a foreign country, the cognizant Combatant Command for the area involved in the request shall be consulted before a release is made. Consultations may be telephonic, electronic, or in hard copy.

(2) The affected DoD Component shall review the circumstances of the request for host-nation relations, and provide, where appropriate, FOIA processing assistance to the responding DoD Component regarding release of information. Responding DoD Components shall provide copies of responsive records to the affected DoD Component when requested by the affected DoD Component. The affected DoD Component shall receive a courtesy copy of all releases in such circumstances.

(3) Nothing in paragraphs (e)(1) and (e)(2) of this section shall impede the processing of the FOIA request initially received by a DoD Component.

§ 286.23 Initial determinations.

(a) *Initial denial authority.* (1) Components shall limit the number of IDAs appointed. In designating its IDAs, a DoD Component shall balance the goals of centralization of authority to promote uniform decisions and decentralization to facilitate responding to each request within the time limitations of the FOIA.

(2) The initial determination whether to make a record available upon request may be made by any suitable official designated by the DoD Component in published regulations. The presence of the marking ''For Official Use Only'' does not relieve the designated official of the responsibility to review the requested record for the purpose of determining whether an exemption under the FOIA is applicable.

(3) The officials designated by DoD Components to make initial determinations should consult with public affairs officers (PAOs) to become familiar with subject matter that is considered to be newsworthy, and advise PAOs of all requests from news media representatives. In addition, the officials should inform PAOs in advance when they intend to withhold or partially withhold a record, if it appears that the withholding action may be challenged in the media.

(b) *Reasons for not releasing a record.* There are seven reasons for not complying with a request for a record under 5 U.S.C. 552(a)(3):

(1) The request is transferred to another DoD Component, or to another Federal Agency.

(2) The DoD Component determines through knowledge of its files and reasonable search efforts that it neither controls nor otherwise possesses the requested record.

(3) A record has not been described with sufficient particularity to enable the DoD Component to locate it by conducting a reasonable search.

(4) The requester has failed unreasonably to comply with procedural requirements, including payment of fees, imposed by this part or DoD Component supplementing regulations.

(5) The request is withdrawn by the requester.

(6) The information requested is not a record within the meaning of the FOIA and this part.

(7) The record is denied in whole or in part in accordance with procedures set forth in the FOIA and this part.

(c) *Denial tests.* To deny a requested record that is in the possession and control of a DoD Component, it must be determined that disclosure of the

record would result in a foreseeable harm to an interest protected by a FOIA exemption, and the record is exempt under one or more of the exemptions of the FOIA. An outline of the FOIA's exemptions is contained in subpart C of this part.

(d) *Reasonably segregable portions.* Although portions of some records may be denied, the remaining reasonably segregable portions must be released to the requester when it reasonably can be assumed that a skillful and knowledgeable person could not reconstruct the excised information. Unless indicating the extent of the deletion would harm an interest protected by an exemption, the amount of deleted information shall be indicated on the released portion of paper records by use of brackets or darkened areas indicating removal of information. In no case shall the deleted areas be left ''white'' without the use of brackets to show the bounds of deleted information. In the case of electronic deletion, or deletion in audiovisual or microfiche records, if technically feasible, the amount of redacted information shall be indicated at the place in the record such deletion was made, unless including the indication would harm an interest protected by the exemption under which the deletion is made. This may be done by use of brackets, shaded areas, or some other identifiable technique that will clearly show the limits of the deleted information. When a record is denied in whole, the response advising the requester of that determination will specifically state that it is not reasonable to segregate portions of the record for release.

(e) *Response to requester.* (1) Whenever possible, initial determinations to release or deny a record normally shall be made and the decision reported to the requester within 10 working days (20 working days effective October 2, 1997) after receipt of the request by the official designated to respond. When a DoD Component has a significant number of pending requests which prevent a response determination within the 10 working day period (20 working days effective October 2, 1997), the requester shall be so notified in an interim response, and advised whether their request qualifies for the fast track or slow track within the DoD Components' multitrack processing system. Requesters who do not meet the criteria for fast track processing shall be given the opportunity to limit the scope of their request in order to qualify for fast track processing. See also § 286.4(d) for greater detail on multitrack processing and compelling need meriting expedited processing.

(2) When a decision is made to release a record, a copy should be made available promptly to the requester once he has complied with preliminary procedural requirements.

(3) When a request for a record is denied in whole or in part, the official designated to respond shall inform the requester in writing of the name and title or position of the official who made the determination, and shall explain to the requester the basis for the determination in sufficient detail to permit the requester to make a decision concerning appeal. The requester specifically shall be informed by the exemptions on which the denial is based, inclusive of a brief statement describing what the exemption(s) cover. When the initial denial is based in whole or in part on a security classification, the explanation should include a summary of the applicable Executive Order criteria for classification, as well as an explanation, to the extent reasonably feasible, of how those criteria apply to the particular record in question. The requester shall also be advised of the opportunity and procedures for appealing an unfavorable determination to a higher final authority within the DoD Component.

(4) The final response to the requester should contain information concerning the fee status of the request, consistent with the provisions of subpart F of this part.

(5) The explanation of the substantive basis for a denial shall include specific citation of the statutory exemption applied under provisions of this part; e.g., 5 U.S.C. 552(b)(1). Merely referring to classification; to a ''For Official Use Only'' making on the requested record; or to this part or a DoD Component's regulation does not constitute a proper citation or explanation of the basis for invoking an exemption.

(6) When the time for response becomes an issue, the official responsible for replying shall acknowledge to the requester the date of the receipt of the request.

(7) When denying a request for records, in whole or in part, a DoD Component shall make a reasonable effort to estimate the volume of the records denied and provide this estimate to the requester, unless providing such an estimate would harm an interest protected by an exemption of the FOIA. This estimate should be in number of pages or in some other reasonable form of estimation, unless the volume is otherwise indicated through deletions on records disclosed in part.

(8) When denying a request for records in accordance with a statute qualifying as a FOIA exemption 3 statute, DoD Components shall, in addition to stating the particular statute relied upon to deny the information, also state whether a court has upheld the decision to withhold the information under the particular statute, and a concise description of the scope of the information being withheld.

(f) *Extension of time.* (1) In unusual circumstances, when additional time is needed to respond to the initial request, the DoD Component shall acknowledge the request in writing within the 10 day period (20 days effective October 2, 1997), describe the circumstances requiring the delay, and indicate the anticipated date for a substantive response that may not exceed 10 additional working days, except as provided in paragraphs (f)(2) through (f)(6) of this section.

(2) With respect to a request for which a written notice has extended the time limits by 10 additional working days, and the Component determines that it cannot make a response determination within that additional 10 working day period, the requester shall be notified and provided an opportunity to limit the scope of the request so that it may be processed within the extended time limit, or an opportunity to arrange an alternative time frame for processing the request or a modified request. Refusal by the requester to reasonably modify the request or arrange for an alternative time frame shall be considered a factor in determining whether exceptional circumstances exist with respect to DoD Components' request backlogs. Exceptional circumstances do not include a delay that results from predictable component backlogs, unless the DoD Component demonstrates reasonable progress in reducing its backlog.

(3) Unusual circumstances that may justify delay are:

(i) The need to search for and collect the requested records from other facilities that are separate from the office determined responsible for a release or denial decision on the requested information.

(ii) The need to search for, collect, and appropriately examine a voluminous amount of separate and distinct records which are requested in a single request.

(iii) The need for consultation, which shall be conducted with all practicable speed, with other agencies having a substantial interest in the determination of the request, or among two or more DoD Components having a substantial subject-matter interest in the request.

(4) DoD Components may aggregate certain requests by the same requester, or by a group of requesters acting in concert, if the DoD Component reasonably believes that such requests actually constitute a single request, which would otherwise satisfy the unusual circumstances set forth above, and the requests involve clearly related matters. Multiple requests involving unrelated matters shall not be aggregated. If the requests are aggregated under these conditions, the requester or requesters shall be so notified.

(5) In cases where the statutory time limits cannot be met and no informal extension of time has been agreed to, the inability to process any part of the request within the specified time should be explained to the requester with a request that he agree to await a substantive response by an anticipated date. It should be made clear that any such agreement does not prejudice the right of the requester to appeal the initial decision after it is made. DoD Components are reminded that the requester still retains the right to treat this delay as a defacto denial with full administrative remedies.

(6) As an alternative to the taking of formal extension of time as described in paragraph (f) of this section, the negotiation by the cognizant FOIA coordinating office of informal extensions in time with requesters is encouraged where appropriate.

(g) *Misdirected requests.* Misdirected requests shall be forwarded promptly to the DoD Component or other Federal Agency with the responsibility for the records requested. The period allowed for responding to the request misdirected by the requester shall not begin until the request is received by the DoD Component that manages the records requested.

(h) *Records of non-U.S. government source.* (1) When a request is received for a record that falls under exemption 4 (see subpart C of this part), that was obtained from a non-U.S. Government source, or for a record containing information clearly identified as having been provided by a non-U.S. Government source, the source of the record or information [also known as ''the submitter'' for matters pertaining to proprietary data under 5 U.S.C. 552, Exemption (b)(4), § 286.12 and E. O. 12600 (3 CFR, 1987 Comp., p. 235), shall be notified promptly of that request and afforded reasonable time (e.g., 30 calendar days) to present any objections concerning the release, unless it is clear that there can be no valid basis for objection. This practice is required for those FOIA requests for data not deemed clearly exempt from disclosure under exemption (b)(4) of 5 U.S.C. 552(a). If, for example, the record or information was provided with actual or presumptive knowledge of the non-U.S. Government source and established that it would be made available to the public upon request, there is no obligation to notify the source. Any objections shall be evaluated. The final decision to disclose information claimed to be exempt under exemption (b)(4) shall be made by an official equivalent in rank to the official who would make the decision to withhold that information under the FOIA. When a substantial issue has been raised, the DoD Component may seek additional information from the source of the information and afford the source and requester reasonable opportunities to present their arguments on the legal and substantive issues involved prior to making an agency determination. When the source advises it will seek a restraining order or take court action to prevent release of the record or information, the requester shall be notified, and action on the request normally shall not be taken until after the outcome of that court action is known. When the requester brings court action to compel disclosure, the submitter shall be promptly notified of this action.

(2) If the submitted information is a proposal in response to a solicitation for a competitive proposal, and the proposal is in the possession and control of DoD, and meets the requirements of 10 U.S.C. 2305(g), the proposal shall not be disclosed, and no submitter notification and subsequent analysis is required. The proposal shall be withheld from public disclosure pursuant to 10 U.S.C. 2305(g) and exemption (b)(3) of 5 U.S.C. 552. This statute does not apply to bids, unsolicited proposals, or any proposal that is set forth or incorporated by reference in a contract between a DoD Component and the offeror that submitted the proposal. In such situations, normal submitter notice shall be conducted in accordance with paragraph (h)(1) of this section except for sealed bids that are opened and read to the public. The term proposal means information contained in or originating from any proposal, including a technical, management, or cost proposal submitted by an offeror in response to solicitation for a competitive proposal, but does not include an offeror's name or total price or unit prices when set forth in a record other than the proposal itself. Submitter notice, and analysis as appropriate, are required for exemption (b)(4) matters that are not specifically incorporated in 10 U.S.C. 2305(g).

(3) If the record or information was submitted on a strictly voluntary basis, absent any exercised authority that prescribes criteria for submission, and after consultation with the submitter, it is absolutely clear that the record or information would customarily not be released to the public, the

submitter need not be notified. Examples of exercised authorities prescribing criteria for submission are statutes, Executive Orders, regulations, invitations for bids, requests for proposals, and contracts. Records or information submitted under these authorities are not voluntary in nature. When it is not clear whether the information was submitted on a voluntary basis, absent any exercised authority, and whether it would customarily be released to the public by the submitter, notify the submitter and ask that it describe its treatment of the information, and render an objective evaluation. If the decision is made to release the information over the objection of the submitter, notify the submitter and afford the necessary time to allow the submitter to seek a restraining order, or take court action to prevent release of the record or information.

(4) The coordination provisions of this paragraph (h) also apply to any non-U.S. Government record in the possession and control of the DoD from multi-national organizations, such as the North Atlantic Treaty Organization (NATO), United Nations Commands, the North American Aerospace Defense Command (NORAD), the Inter-American Defense Board, or foreign governments. Coordination with foreign governments under the provisions of this paragraph (h) may be made through Department of State, or the specific foreign embassy.

(i) *File of initial denials.* Copies of all initial denials shall be maintained by each DoD Component in a form suitable for rapid retrieval, periodic statistical compilation, and management evaluation. Records denied at the initial stage shall be maintained for a period of six years to meet the statute of limitations requirement.

(j) *Special mail services.* Components are authorized to use registered mail, certified mail, certificates of mailing and return receipts. However, their use should be limited to instances where it appears advisable to establish proof of dispatch or receipt of FOIA correspondence.

(k) *Receipt accounts.* The Treasurer of the United States has established two accounts for FOIA receipts, and all money orders or checks remitting FOIA fees should be made payable to the U.S. Treasurer. These accounts, which are described in paragraphs (k)(1) and (k)(2) of this section shall be used for depositing all FOIA receipts, except receipts for industrially funded and non appropriated funded activities. Components are reminded that the below account numbers must be preceded by the appropriate disbursing office two digit prefix. Industrially funded and non appropriated funded activity FOIA receipts shall be deposited to the applicable fund.

(1) *Receipt Account 3210 Sale of Publications and Reproductions, Freedom of Information Act.* This account shall be used when depositing funds received from providing existing publications and forms that meet the Receipt Account Series description found in Federal Account Symbols and Titles.

(2) *Receipt Account 3210 Fees and Other Charges for Services, Freedom of Information Act.* This account is used to deposit search fees, fees for duplicating and reviewing (in the case of commercial requesters) records to satisfy requests that could not be filled with existing publications or forms.

§ 286.24 Appeals.

(a) *General.* If the official designated by the DoD Component to make initial determinations on requests for records declines to provide a record because the official considers it exempt under one or more of the exemptions of the FOIA, that decision may be appealed by the requester, in writing, to a designated appellant authority. The appeal should be accompanied by a copy of the letter denying the initial request. Such appeals should contain the basis for disagreement with the initial refusal. Appeal procedures also apply to the disapproval of a fee category claim by a requester, disapproval of a request for waiver or reduction of fees, disputes regarding fee estimates, review on an expedited basis a determination not to grant expedited access to agency records, and for no record determinations when the requester considers such responses adverse in nature. Appeals of Office of the Secretary of Defense and Chairman of the Joint Chiefs of Staff determinations may be

sent to the address in appendix B, paragraph 2.a., of this part. If a request is merely misaddressed, and the receiving DoD Component simply advises the requester of such and refers the request to the appropriate DoD Component, this shall not be considered a no record determination.

(b) *Time of receipt.* A FOIA appeal has been received by a DoD Component when it reaches the office of an appellate authority having jurisdiction. Misdirected appeals should be referred expeditiously to the proper appellant authority.

(c) *Time limits.* (1) The requester shall be advised to file an appeal so that it reaches the appellate authority no later than 60 calendar days after the date of the initial denial letter. At the conclusion of this period, the case may be considered closed; however, such closure does not prevent the requester for filing litigation. In cases where the requester is provided several incremental determinations for a single request, the time for the appeal shall not begin until the requester receives the last such notification. Records that are denied shall be retained for a period of six years to meet the statute of limitations requirement.

(2) Final determinations on appeals normally shall be made within 20 working days after receipt. When a DoD Component has a significant number of appeals preventing a response determination with 20 working days, the appeals shall be processed in a multitrack processing system, based at a minimum, on the three processing tracks established for initial requests. See § 286.4(d). All of the provisions of § 286.4(d) apply also to appeals of initial determinations, to include establishing additional processing queues as needed.

(d) *Delay in responding to an appeal.* (1) If additional time is needed due to the unusual circumstances described in § 286.23 (f), the final decision may be delayed for the number of working days (not to exceed 10), that were not used are additional time for responding to the initial request.

(2) If a determination cannot be made and the requester notified within 20 working days, the appellate authority shall acknowledge to the requester, in writing, the date of receipt of the appeal, the circumstances surrounding the delay, and the anticipated date for substantive response. Requesters shall be advised that, if the delay exceeds the statutory extension provision or is for reasons other than the unusual circumstances identified in § 286.23 (f), they may consider their administrative remedies exhausted. They may, however, without prejudicing their right of judicial remedy, await a substantive response. The DoD Component shall continue to process the case expeditiously, whether or not the requester seeks a court order for release of the records, but a copy of any response provided subsequent to filing of a complaint shall be forwarded to the Department of Justice.

(e) *Response to the requester.* (1) When an appellate authority makes a final determination to release all or a portion of records withheld by an IDA, a written response and a copy of the records so released should be forwarded promptly to the requester after compliance with any preliminary procedural requirements, such as payment of fees.

(2) Final refusal of an appeal must be made in writing by the appellate authority or by a designated representative. The response, at a minimum, shall include the following:

(1) The basis for the refusal shall be explained to the requester in writing, both with regard to the applicable statutory exemption or exemptions invoked under provisions of the FOIA and with respect to other appeal matters as set forth in paragraph (1) of this section.

(ii) When the final refusal is based in whole or in part on a security classification, the explanation shall include a determination that the record meets the cited criteria and rationale of the governing Executive Order, and that this determination is based on a declassification review, with the explanation of how that review confirmed the continuing validity of the security classification.

(iii) The final denial shall include the name and title or position of the official responsible for the denial.

(iv) In the case of appeals for total denial of records, the response shall advise the requester that the information

being denied does not contain meaningful portions that are reasonably segregable.

(v) When the denial is based upon an exemption 3 statute (see § 286.12(e)), the response, in addition to citing the statute relied upon to deny the information, shall state whether a court has upheld the decision to withhold the information under the statute, and shall contain a concise description of the scope of the information withheld.

(vi) The response shall advise the requester of the right of judicial review.

(f) *Consultation.* (1) Final refusal involving issues not previously resolved or that the DoD Component knows to be inconsistent with rulings of other DoD Components ordinarily should not be made before consultation with the DoD Office of the General Counsel.

(2) Tentative decisions to deny records that raise new or significant legal issues of potential significance to other Agencies of the Government shall be provided to the DoD Office of the General Counsel.

§ 286.25 Judicial actions.

(a) *General.* (1) This section states current legal and procedural rules for the convenience of the reader. The statements of rules do not create rights or remedies not otherwise available, nor do they bind the Department of Defense to particular judicial interpretations or procedures.

(2) A requester may seek an order from a U.S. District Court to compel release of a record after administrative remedies have been exhausted; i.e., when refused a record by the head of a Component or an appellate designee or when the DoD Component has failed to respond within the time limits prescribed by the FOIA and in this part.

(b) *Jurisdiction.* The requester may bring suit in the U.S. District Court in the district in which the requester resides or is the requesters place of business, in the district in which the record is located, or in the District of Columbia.

(c) *Burden of proof.* The burden of proof is on the DoD Component to justify its refusal to provide a record. The court shall evaluate the case de novo (anew) and may elect to examine any requested record in camera (in private) to determine whether the denial was justified.

(d) *Actions by the Court.* (1) When a DoD Component has failed to make a determination within the statutory time limits but can demonstrate due diligence in exceptional circumstances, to include negotiating with the requester to modify the scope of their request, the court may retain jurisdiction and allow the Component additional time to complete its review of the records.

(2) If the court determines that the requester's complaint is substantially correct, it may require the United States to pay reasonable attorney fees and other litigation costs.

(3) When the court orders the release of denied records, it may also issue a written finding that the circumstances surrounding the withholding raise questions whether DoD Component personnel acted arbitrarily and capriciously. In these cases, the special counsel of the Merit System Protection Board shall conduct an investigation to determine whether or not disciplinary action is warranted. The DoD Component is obligated to take the action recommended by the special counsel.

(4) The court may punish the responsible official for contempt when a DoD Component fails to comply with the court order to produce records that it determines have been withheld improperly.

(e) *Non-United States Government Source Information.* A requester may bring suit in a U.S. District Court to compel the release of records obtained from a non-government source or records based on information obtained from a non-government source. Such source shall be notified promptly of the court action. When the source advises that it is seeking court action to prevent release, the DoD Component shall defer answering or otherwise pleading to the complainant as long as permitted by the Court or until a decision is rendered in the court action of the source, whichever is sooner.

(f) *FOIA litigation.* Personnel responsible for processing FOIA requests at the DoD Component level shall be aware of litigation under the FOIA. Such information will provide management insights into the use of the nine

exemptions by Component personnel. Whenever a complaint under the FOIA is filed in a U.S. District Court, the DoD Component named in the complaint shall forward a copy of the complaint by any means to the OASD(PA), Attn: DFOISR, with an information copy to the DoD Office of the General Counsel, Attn: Office of Legal Counsel.

Subpart F—Fee Schedule

§286.28 General provisions.

(a) *Authorities.* The Freedom of Information Act, as amended; the Paperwork Reduction Act (44 U.S.C. chapter 35), as amended; the Privacy Act of 1974, as amended; the Budget and Accounting Act of 1921 and the Budget and Accounting Procedures Act, as amended (see 31 U.S.C.); and 10 U.S.C. 2328.

(b) *Application.* (1) The fees described in this subpart apply to FOIA requests, and conform to the Office of Management and Budget Uniform Freedom of Information Act Fee Schedule and Guidelines. They reflect direct costs for search, review (in the case of commercial requesters); and duplication of documents, collection of which is permitted by the FOIA. They are neither intended to imply that fees must be charged in connection with providing information to the public in the routine course of business, nor are they meant as a substitute for any other schedule of fees, such as DoD Instruction 7230.7,[11] which does not supersede the collection of fees under the FOIA. Nothing in this subpart shall supersede fees chargeable under a statute specifically providing for setting the level of fees for particular types of records. A ''statue specifically providing for setting the level of fees for particular types of records'' (5 U.S.C. 552 (a)(4)(A)(vi)) means any statute that enables a Government Agency such as the Government Printing Office (GPO) or the National Technical Information Service (NTIS), to set and collect fees. Components should ensure that when documents that would be responsive to a request are maintained for distribution by agencies operating statutory-based fee schedule programs such as the GPO or NTIS, they inform requesters of the steps necessary to obtain records from those sources.

(2) The term ''direct costs'' means those expenditures a Component actually makes in searching for, reviewing (in the case of commercial requesters), and duplicating documents to respond to an FOIA request. Direct costs include, for example, the salary of the employee performing the work (the basic rate of pay for the employee plus 16 percent of that rate to cover benefits), and the costs of operating duplicating machinery. These factors have been included in the fee rates prescribed at §286.29. Not included in direct costs are overhead expenses such as costs of space, heating or lighting the facility in which the records are stored.

(3) The term ''search'' includes all time spent looking, both manually and electronically, for material that is responsive to a request. Search also includes a page-by-page or line-by-line identification (if necessary) of material in the record to determine if it, or portions thereof are responsive to the request. Components should ensure that searches are done in the most efficient and least expensive manner so as to minimize costs for both the Component and the requester. For example, Components should not engage in line-by-line searches when duplicating an entire document known to contain responsive information would prove to be the less expensive and quicker method of complying with the request. Time spent reviewing documents in order to determine whether to apply one or more of the statutory exemptions is not search time, but review time. See paragraph (b)(5) of this section for the definition of review, and paragraph (c)(5) of this section and §286.29(b)(2) for information pertaining to computer searches.

(4) The term ''duplication'' refers to the process of making a copy of a document in response to an FOIA request. Such copies can take the form of paper copy, microfiche, audiovisual, or machine readable documentation (e.g., magnetic tape or disc), among others. Every effort will be made to ensure that the copy provided is in a form

[11] See footnote 1 to §286.1(a).

that is reasonably useable, the requester shall be notified that the copy provided is the best available and that the Agency's master copy shall be made available for review upon appointment. For duplication of computer tapes and audiovisual, the actual costs, including the operator's time, shall be charged. In practice, if a Component estimates that assessable duplication charges are likely to exceed $25.00, it shall notify the requester of the estimate, unless the requester has indicated in advance his or her willingness to pay fees as high as those anticipated. Such a notice shall offer a requester the opportunity to confer with Component personnel with the object of reformulating the request to meet his or her needs at a lower cost.

(5) The term ''review'' refers to the process of examining documents located in response to an FOIA request to determine whether one or more of the statutory exemptions permit withholding. It also includes processing the documents for disclosure, such as excising them for release. Review does not include the time spent resolving general legal or policy issues regarding the application of exemptions. It should be noted that charges for commercial requesters may be assessed only for the initial review. Components may not charge for reviews required at the administrative appeal level of an exemption already applied. However, records or portions of records withheld in full under an exemption that is subsequently determined not to apply may be reviewed again to determine the applicability of other exemptions not previously considered. The costs for such a subsequent review would be properly assessable.

(c) *Fee restrictions.* (1) No fees may be charged by any DoD Component if the costs of routine collection and processing of the fee are likely to equal or exceed the amount of the fee. With the exception of requesters seeking documents for a commercial use, Components shall provide the first two hours of search time, and the first one hundred pages of duplication without charge. For example, for a request (other than one from a commercial requester) that involved two hours and ten minutes of search time, and resulted in one hundred and five pages of documents, a Component would determine the cost of only ten minutes of search time, and only five pages of reproduction. If this processing cost was equal to, or less than, the cost to the Component for billing the requester and processing the fee collected, no charges would result.

(2) Requesters receiving the first two hours of search and the first one hundred pages of duplication without charge are entitled to such only once per request. Consequently, if a Component, after completing its portion of a request, finds it necessary to refer the request to a subordinate office, another DoD Component, or another Federal Agency to action their portion of the request, the referring Component shall inform the recipient of the referral of the expended amount of search time and duplication cost to date.

(3) The elements to be considered in determining the ''cost of collecting a fee'' are the administrative costs to the Component of receiving and recording a remittance, and processing the fee for deposit in the Department of Treasury's special account. The cost to the Department of Treasury to handle such remittance is negligible and shall not be considered in Components' determinations.

(4) For the purposes of these restrictions, the word ''pages'' refers to paper copies of a standard size, which will normally be ''8½ × 11'' or ''11 × 14''. Thus, requesters would not be entitled to 100 microfiche or 100 computer disks, for example. A microfiche containing the equivalent of 100 pages or 100 pages of computer printout however, might meet the terms of the restriction.

(5) In the case of computer searches, the first two free hours will be determined against the salary scale of the individual operating the computer for the purposes of the search. As an example, when the direct costs of the computer central processing unit, input-output devices, and memory capacity equal $24.00 (two hours of equivalent search at the clerical level), amounts of computer costs in excess of that amount are chargeable as computer search time. In the event the direct operating cost of the hardware configuration cannot be determined, computer

search shall be based on the salary scale of the operator executing the computer search. See § 286.29 for further details regarding fees for computer searches.

(d) *Fee waivers.* (1) Documents shall be furnished without charge, or at a charge reduced below fees assessed to the categories of requesters in paragraph (e) of this section when the Component determines that waiver or reduction of the fees is in the public interest because furnishing the information is likely to contribute significantly to public understanding of the operations or activities of the Department of Defense and is not primarily in the commercial interest of the requester.

(2) When assessable costs for a FOIA request total $15.00 or less, fees shall be waived automatically for all requesters, regardless of category.

(3) Decisions to waive or reduce fees that exceed the automatic waiver threshold shall be made on a case-by-case basis, consistent with the following factors:

(i) Disclosure of information ''is in the public interest because it is likely to contribute significantly to public understanding of the operations or activities of the Government.''

(A) *The subject of the request.* Components should analyze whether the subject matter of the request involves issues that will significantly contribute to the public understanding of the operations or activities of the Department of Defense. Requests for records in the possession of the Department of Defense which were originated by non-government organizations and are sought for their intrinsic content, rather than informative value, will likely not contribute to public understanding of the operations or activities of the Department of Defense. An example of such records might be press clippings, magazine articles, or records forwarding a particular opinion or concern from a member of the public regarding a DoD activity. Similarly, disclosures of records of considerable age may or may not bear directly on the current activities of the Department of Defense; however, the age of a particular record shall not be the sole criteria for denying relative significance under this factor. It is possible to envisage an informative issue concerning the current activities of the Department of Defense, based upon historical documentation. Requests of this nature must be closely reviewed consistent with the requester's stated purpose for desiring the records and the potential for public understanding of the operations and activities of the Department of Defense.

(B) *The informative value of the information to be disclosed.* This factor requires a close analysis of the substantive contents of a record, or portion of the record, to determine whether disclosure is meaningful, and shall inform the public on the operations or activities of the Department of Defense. While the subject of a request may contain information that concerns operations or activities of the Department of Defense, it may not always hold great potential for contributing to a meaningful understanding of these operations or activities. An example of such would be a previously released record that has been heavily redacted, the balance of which may contain only random words, fragmented sentences, or paragraph headings. A determination as to whether a record in this situation will contribute to the public understanding of the operations or activities of the Department of Defense must be approached with caution, and carefully weighed against the arguments offered by the requester. Another example is information already known to be in the public domain. Disclosure of duplicative, or nearly identical information already existing in the public domain may add no meaningful new information concerning the operations and activities of the Department of Defense.

(C) *The contribution to an understanding of the subject by the general public likely to result from disclosure.* The key element in determining the applicability of this factor is whether disclosure will inform, or have the potential to inform the public, rather than simply the individual requester or small segment of interested persons. The identity of the requester is essential in this situation in order to determine whether such requester has the capability and

intention to disseminate the information to the public. Mere assertions of plans to author a book, researching a particular subject, doing doctoral dissertation work, or indigence are insufficient without demonstrating the capacity to further disclose the information in a manner that will be informative to the general public. Requesters should be asked to describe their qualifications, the nature of their research, the purpose of the requested information, and their intended means of dissemination to the public.

(D) *The significance of the contribution to public understanding.* In applying this factor, Components must differentiate the relative significance or impact of the disclosure against the current level of public knowledge, or understanding which exists before the disclosure. In other words, will disclosure on a current subject of wide public interest be unique in contributing previously unknown facts, thereby enhancing public knowledge, or will it basically duplicate what is already known by the general public? A decision regarding significance requires objective judgment, rather than subjective determination, and must be applied carefully to determine whether disclosure will likely lead to a significant public understanding of the issue. Components shall not make value judgments as to whether the information is important enough to be made public.

(ii) Disclosure of the information ''is not primarily in the commercial interest of the requester.''

(A) *The existence and magnitude of a commercial interest.* If the request is determined to be of a commercial interest, Components should address the magnitude of that interest to determine if the requester's commercial interest is primary, as opposed to any secondary personal or non-commercial interest. In addition to profit-making organizations, individual persons or other organizations may have a commercial interest in obtaining certain records. Where it is difficult to determine whether the requester is of a commercial nature, Components may draw inference from the requester's identity and circumstances of the request. In such situations, the provisions of paragraph (e) of this section apply. Components are reminded that in order to apply the commercial standards of the FOIA, the requester's commercial benefit must clearly override any personal or non-profit interest.

(B) *The primary interest in disclosure.* Once a requester's commercial interest has been determined, Components should then determine if the disclosure would be primarily in that interest. This requires a balancing test between the commercial interest of the request against any public benefit to be derived as a result of that disclosure. Where the public interest is served above and beyond that of the requester's commercial interest, a waiver or reduction of fees would be appropriate. Conversely, even if a significant public interest exists, and the relative commercial interest of the requester is determined to be greater than the public interest, then a waiver or reduction of fees would be inappropriate. As examples, news media organizations have a commercial interest as business organizations; however, their inherent role of disseminating news to the general public can ordinarily be presumed to be of a primary interest. Therefore, any commercial interest becomes secondary to the primary interest in serving the public. Similarly, scholars writing books or engaged in other forms of academic research, may recognize a commercial benefit, either directly, or indirectly (through the institution they represent); however, normally such pursuits are primarily undertaken for educational purposes, and the application of a fee charge would be inappropriate. Conversely, data brokers or others who merely compile government information for marketing can normally be presumed to have an interest primarily of a commercial nature.

(4) Components are reminded that the factors and examples used in this subsection are not all inclusive. Each fee decision must be considered on a case-by-case basis and upon the merits of the information provided in each request. When the element of doubt as to whether to charge or waive the fee cannot be clearly resolved, Components should rule in favor of the requester.

(5) In addition, the following additional circumstances describe situations where waiver or reduction of fees are most likely to be warranted:

(i) A record is voluntarily created to prevent an otherwise burdensome effort to provide voluminous amounts of available records, including additional information not requested.

(ii) A previous denial of records is reversed in total, or in part, and the assessable costs are not substantial (e.g. $15.00–$30.00).

(e) *Fee assessment.* (1) Fees may not be used to discourage requesters, and to this end, FOIA fees are limited to standard charges for direct document search, review (in the case of commercial requesters) and duplication.

(2) In order to be as responsive as possible to FOIA requests while minimizing unwarranted costs to the taxpayer, Components shall adhere to the following procedures:

(i) Analyze each request to determine the category of the requester. If the Component determination regarding the category of the requester is different than that claimed by the requester, the Component shall:

(A) Notify the requester to provide additional justification to warrant the category claimed, and that a search for responsive records will not be initiated until agreement has been attained relative to the category of the requester. Absent further category justification from the requester, and within a reasonable period of time (i.e., 30 calendar days), the Component shall render a final category determination, and notify the requester of such determination, to include normal administrative appeal rights of the determination.

(B) Advise the requester that, notwithstanding any appeal, a search for responsive records will not be initiated until the requester indicates a willingness to pay assessable costs appropriate for the category determined by the Component.

(ii) Requesters should submit a fee declaration appropriate for the following categories:

(A) *Commercial.* Requesters should indicate a willingness to pay all search, review and duplication costs.

(B) *Educational or noncommercial scientific institution or news media.* Requesters should indicate a willingness to pay duplication charges in excess of 100 pages if more than 100 pages of records are desired.

(C) *All others.* Requesters should indicate a willingness to pay assessable search and duplication costs if more than two hours of search effort or 100 pages of records are desired.

(iii) If the conditions are not met as identified in this paragraph (e), then the request need not be processed and the requester shall be so informed.

(iv) In the situations described by paragraphs (e)(2)(i) and (e)(2)(ii) of this section, Components must be prepared to provide an estimate of assessable fees if desired by the requester. While it is recognized that search situations will vary among Components, and that an estimate is often difficult to obtain prior to an actual search, requesters who desire estimates are entitled to such before committing to a willingness to pay. Should Components' actual costs exceed the amount of the estimate or the amount agreed to by the requester, the amount in excess of the estimate or the requester's agreed amount shall not be charged without the requester's agreement.

(v) No DoD Component may require advance payment of any fee; i.e., payment before work is commenced or continued on a request, unless the requester has previously failed to pay fees in a timely fashion, or the agency has determined that the fee will exceed $250.00. As used in this sense, a timely fashion is 30 calendar days from the date of billing (the fees have been assessed in writing) by the Component.

(vi) Where a Component estimates or determines that allowable charges that a requester may be required to pay are likely to exceed $250.00, the Component shall notify the requester of the likely cost and obtain satisfactory assurance of full payment where the requester has a history of prompt payments, or require an advance payment of an amount up to the full estimated charges in the case of requesters with no history of payment.

(vii) Where a requester has previously failed to pay a fee charged in a timely fashion (i.e., within 30 calendar days from the date of the billing), the Component may require the requester

to pay the full amount owed, plus any applicable interest, or demonstrate that he or she has paid the fee, and to make an advance payment of the full amount of the estimated fee before the Component begins to process a new or pending request from the requester. Interest will be at the rate prescribed in 31 U.S.C. 3717 and confirmed with respective Finance and Accounting Offices.

(viii) After all work is completed on a request, and the documents are ready for release, Components may request payment before forwarding the documents, particularly for those requesters who have no payment history, or for those requesters who have failed previously to pay a fee in a timely fashion (i.e., within 30 calendar days from the date of the billing). In the case of the latter, the previsions of paragraph (e)(2)(vii) of this section apply.

(ix) When Components act under paragraphs (e)(2)(i) through (e)(2)(vii) of this section, the administrative time limits of the FOIA will begin only after the Component has received a willingness to pay fees and satisfaction as to category determination, or fee payments (if appropriate).

(x) Components may charge for time spent searching for records, even if that search fails to locate records responsive to the request. Components may also charge search and review (in the case of commercial requesters) time if records located are determined to be exempt from disclosure. In practice, if the Component estimates that search charges are likely to exceed $25.00, it shall notify the requester of the estimated amount of fees, unless the requester has indicated in advance his or her willingness to pay fees as high as those anticipated. Such a notice shall offer the requester the opportunity to confer with Component personnel with the object of reformulating the request to meet his or her needs at a lower cost.

(3) *Commercial requesters.* Fees shall be limited to reasonable standard charges for document search, review and duplication when records are requested for commercial use. Requesters must reasonably describe the records sought. (See § 286.4(h))

(i) 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 interest of the requester or the person on whose behalf the request is made. In determining whether a requester properly belongs in this category, Components must determine the use to which a requester will put the documents requested. Moreover, where Component 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, Components should seek additional clarification before assigning the request to a specific category.

(ii) When Components receive a request for documents for commercial use, they should assess charges which recover the full direct costs of searching for, reviewing for release, and duplicating the records sought. Commercial requesters (unlike other requesters) are not entitled to two hours of free search time, nor 100 free pages of reproduction of documents. Moreover, commercial requesters are not normally entitled to a waiver or reduction of fees based upon an assertion that disclosure would be in the public interest. However, because use is the exclusive determining criteria, it is possible to envision a commercial enterprise making a request that is not for commercial use. It is also possible that a non-profit organization could make a request that is for commercial use. Such situations must be addressed on a case-by-case basis.

(4) *Education institution requesters.* Fees shall be limited to only reasonable standard charges for document duplication (excluding charges for the first 100 pages) when the request is made by an educational institution whose purpose is scholarly research. Requesters must reasonably describe the records sought (see § 286.4(h)). The term ''education institution'' refers to a pre-school, 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. Fees shall be waived or reduced in the public interest if the criteria of paragraph (d) of this section have been met.

(5) *Non-commercial scientific institution requesters.* Fees shall be limited to only reasonable standard charges for document duplication (excluding charges for the first 100 pages) when the request is made by a non-commercial scientific institution whose purpose is scientific research. Requesters must reasonably describe the records sought (see § 286.4(h)). The term ''non-commercial scientific institution'' refers to an institution that is not operated on a ''commercial'' basis as defined in paragraph (e)(3) of this section and that is operated solely for the purpose of conducting scientific research, the results of which are not intended to promote any particular product or industry. Fees shall be waived or reduced in the public interest if the criteria of paragraph (d) of this section have been met.

(6) Components shall provide documents to requesters in paragraphs (e)(4) and (e)(5) of this section for the cost of duplication alone, excluding charges for the first 100 pages. To be eligible for inclusion in these categories, requesters must show that the request is being made under the auspices of a qualifying institution and that the records are not sought for commercial use, but in furtherance of scholarly (from an educational institution) or scientific (from a non-commercial scientific institution) research.

(7) *Representatives of the news media.* Fees shall be limited to only reasonable standard charges for document duplication (excluding charges for the first 100 pages) when the request is made by a representative of the news media. Requesters must reasonably describe the records sought (see § 286.4(h)). Fees shall be waived or reduced if the criteria of paragraph (d) of this section have been met.

(i) 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 or 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 meant 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 though that organization, even through not actually employed by it. A publication contract would be the clearest proof, but Components may also look to the past publication record of a requester in making this determination.

(ii) To be eligible for inclusion in this category, a requester must meet the criteria in paragraph (e)(7)(i) of this section and his or her request must not be made for commercial use. A request for records supporting the news dissemination function of the requester shall not be considered to be a request that is for a commercial use. For example, a document request by a newspaper for records relating to the investigation of a defendant in a current criminal trial of public interest could be presumed to be a request form an entity eligible for inclusion in this category, and entitled to records at the cost of reproduction alone (excluding charges for the first 100 pages).

(iii) ''Representative of the news media'' does not include private libraries, private repositories of Government records, or middlemen, such as information vendors or data brokers.

(8) *All other requesters.* Components shall charge requesters who do not fit into any of the categories described in paragraphs (e)(3), (e)(4), (e)(5), or (e)(7) of this section fees which recover the full direct cost of searching for and duplicating records, except that the first two hours of search time and the first 100 pages of duplication shall be furnished without charge. Requesters must reasonably describe the records

sought (see § 286.4(h)). Requests from subjects about themselves will continue to be treated under the fee provisions of the Privacy Act of 1974, which permit fees only for duplication. Components are reminded that this category of requester may also be eligible for a wavier or reduction of fees if disclosure of the information is in the public interest as defined under paragraph (d)(1) of this section. (See also paragraph (e)(3)(ii) of this section)

(f) *Aggregating requests.* Except for requests that are for a commercial use, a Component may not charge for the first two hours of search time or for the first 100 pages of reproduction. However, a requester may not file multiple requests at the same time, each seeking portions of a document or documents, solely in order to avoid payment of fees. When a Component reasonably believes that a requester or, on rare occasions, a group of requesters acting in concert, is attempting to break a request down into a series of requests for the purpose of avoiding the assessment of fees, the Agency may aggregate any such requests and charge accordingly. One element to be considered in determining whether a belief would be reasonable is the time period in which the requests have occurred. For example, it would be reasonable to presume that multiple requests of this type made within a 30 day period had been made to avoid fees. For requests made over a longer period however, such a presumption becomes harder to sustain and Components should have a solid basis for determining that aggregation is warranted in such cases. Components are cautioned that before aggregating requests from more than one requester, they must have a concrete basis on which to conclude that the requesters are acting in concert and are acting specifically to avoid payment of fees. In no case may Components aggregate multiple requests on unrelated subjects from one requester.

(g) *Effect of the Debt Collection Act of 1982 (5 U.S.C. 5515 note).* The Debt Collect Act of 1982 (5 U.S.C. 5515 note) provides for a minimum annual rate of interest to be charged on overdue debts owed the Federal Government Components may levy this interest penalty for any fees that remain outstanding 30 calendar days from the date of billing (the first demand notice) to the requester of the amount owed. The interest rate shall be as prescribed in 31 U.S.C. 3717 U.S.C. 3717. Components should verify the current interest rate with respective Finance and Accounting Offices. After one demand letter has been sent, and 30 calendar days have lapsed with no payment, Components may submit the debt to respective Finance and Accounting Offices for collection pursuant to 5 U.S.C. 5515 note.

(h) *Computation of fees.* The fee schedule in this subpart shall be used to compute the search, review (in the case of commercial requesters) and duplication costs associated with processing a given FOIA request. Cost shall be computed on time actually spent. Neither time-based no dollar-minimum charges for search, review and duplication are authorized.

[62 FR 35351, July 1, 1997 as amended at 62 FR 38197, July 16, 1997; 62 FR 42916, Aug. 11, 1997]

§ 286.29 Collection of fees and rates.

(a) *Collection of fees.* Collection of fees will be made at the time of providing the documents to the requester or recipient when the requester specifically states that the costs involved shall be acceptable or acceptable up to a specified limit that covers the anticipated costs. Collection of fees may not be made in advance unless the requester has failed to pay previously assessed fees within 30 calendar days from the date of the billing by the DoD Component, or the Component has determined that the fees will be in excess of $250 (see § 286.28 (e)).

(b) *Search time*—(1) *Manual search.*

Type	Grade	Hourly rate ($)
Clerical	E9/GS8 and below	12
Professional	O1–O1/GS9–GS15	25
Executive	O7/GS16/ES1 and above.	45

(2) *Computer search.* Fee assessments for computer search consists of two parts; individual time (hereafter referred to as human time), and machine time.

(i) *Human time.* Human time is all time spent by humans performing the

necessary tasks to prepare the job for a machine to execute the run command. If execution of a run requires monitoring by a human, that human time may be also assessed as computer search. The terms ''programmer/operator'' shall not be limited to the traditional programmers or operators. Rather, the terms shall be interpreted in their broadest sense to incorporate any human involved in performing the computer job (e.g. technician, administrative support, operator, programmer, database administrator, or action officer).

(ii) *Machine time.* Machine time involves only direct costs of the Central Processing Unit (CPU), input/output devices, and memory capacity used in the actual computer configuration. Only this CPU rate shall be charged. No other machine related costs shall be charged. In situation where the capability does not exist to calculate CPU time, no machine costs can be passed on to the requester. When CPU calculations are not available, only human time costs shall be assessed to requesters. Should DoD Components lease computers, the services charged by the lessor shall not be passed to the requester under the FOIA.

(c) *Duplication.*

Type	Cost per page (cents)
Pre-Printed material	02
Office Copy	15
Microfiche	25
Computer Copies (tapes, discs or printouts).	Actual cost of duplicating the tape, disc or printout (includes operator's time and cost of the medium).

(d) *Review time* (in the case of commercial requesters).

Type	Grade	Hourly rate ($)
Clerical	E9/GS8 and below	12
Professional	O1–O6/GS9–GS15	25
Executive	O7/GS16/ES1 and above.	45

(e) *Audiovisual documentary materials.* Search costs are computed as for any other record. Duplication cost is the actual direct cost of reproducing the material, including the wage of the person doing the work. Audiovisual materials provided to a requester need not be in reproducible format or quality.

(f) *Other records.* Direct search and duplication cost for any record not described in this section shall be computed in the manner described for audiovisual documentary material.

(g) *Cost for special services.* Complying with requests for special services is at the discretion of the Components. Neither the FOIA, nor its fee structure cover these kinds of services. Therefore, Components may recover the costs of special services requested by the requester after agreement has been obtained in writing from the requester to pay for one or more of the following services:

(1) Certifying that records are true copies.

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

§286.30 Collection of fees and fee rates for technical data.

(a) *Fees for technical data.* (1) Technical data, other than technical data that discloses critical technology with military or space application, if required to be released under the FOIA, shall be released after the person requesting such technical data pays all reasonable costs attributed to search, duplication and review of the records to be released. Technical data, as used in this section, means recorded information, regardless of the form or method of the recording of a scientific or technical nature (including computer software documentation). This term does not include computer software, or data incidental to contract administration, such as financial an/or management information. DoD Components shall retain the amounts received by such a release, and it shall be merged with and available from which the costs were incurred in complying with request. All reasonable costs as used in this sense are the full costs to the Federal Government of rendering the service, or fair market value of the service, whichever is higher. Fair market value shall be determined in accordance with commercial rates in the local geographical area. In the absence of a known market value, charges shall be based on recovery of full costs to the

Federal Government. The full costs shall include all direct and indirect costs to conduct the search and to duplicate the records responsive to the request. This cost is to be differentiated from the direct costs allowable under this section for other types of information released under FOIA.

(2) *Waiver.* Components shall waive the payment of costs required in paragraph (a)(1) of this section which are greater than the costs that would be required for release of this same information under § 286.29 if:

(i) The request is made by a citizen of the United States or a United States corporation, and such citizen or corporation certifies that the technical data requested is required to enable it to submit an offer, or determine whether it is capable of submitting an offer to provide the product to which the technical data relates to the United States or a contractor with the United States. However, Components may require the citizen or corporation to pay a deposit in an amount equal to not more than the cost of complying with the request, which will be refunded upon submission of an offer by the citizen or corporation;

(ii) The release of technical data is requested in order to comply with the terms of an international agreement; or

(iii) The Component determines in accordance with § 286.28(d)(a), that such a waiver is in the interest of the United States.

(b) *Fee rates*—(1) *Search time*—(i) *Manual search.*

Type	Grade	Hourly rate ($)
Clerical	E9/GS8 and below	13.25
(Minimum charge)		8.30

(ii) *Professional and executive* (To be established at actual hourly rate prior to search. A minimum charge will be established at ½ hourly rates). Computer search is based on the total cost of the central processing unit, input-output devices, and memory capacity of the actual computer configuration. The wage (based upon the scale in paragraph (b)(1)(i) of this section) for the computer operator and/or programmer determining how to conduct, and subsequently executing the search will be recorded as part of the computer search. See § 286.29(b)(2) for further details regarding computer search.

(2) *Duplication.*

Type	Cost
Aerial photograph maps, specifications, permits, charts, blueprints, and other technical engineering documents	$2.50
Engineering data (microfilm):	
Aperture cards:	
Silver duplicate negative, per card	.75
When key punched and verified, per card	.85
Diazo duplicate negative, per card	.65
When key punched and verified, per card	.75
35mm roll film, per frame	.50
16mm roll film, per frame	.45
Paper prints (engineering drawings), each	1.50
Paper reprints of microfilm indices, each	.10

(3) *Review time.*

Type	Grade	Hourly rate ($)
Clerical	E9/GS8 and below	13.25
(Minimum charge)		8.30

(4) *Professional and executive* (To be established at actual hourly rate prior to review. A minimum charge will be established at an hourly rate).

(5) *Other technical data records.* Charges for any additional services not specifically provided in paragraph (b)(3) of this section consistent with Volume 11A of DoD 7000.14–R,[12] shall be made by Components at the following rates:

Minimum charge for office copy (up to six images)	$3.50
Each additional image	10
Each typewritten page	3.50
Certification and validation with seal, each	5.20
Hand-drawn plots and sketches, each hour or fraction thereof	12.00

Subpart G—Reports

§ 286.33 Reports control.

(a) Each DoD Component shall compile FOIA statistics on a fiscal year basis beginning October 1, 1997, and report same to the Directorate for Freedom of Information and Security Review, Office of the Assistant Secretary of Defense (Public Affairs) (DFOISR, OASD(PA)) no later than November 30 following the fiscal year's close. In turn, DFOISR, OASD(PA) will produce

[12] See footnote 1 to § 286.1(a).

a consolidated DoD report for submission to the Attorney General.

(b) Existing DoD standards and registered data elements are to be utilized to the greatest extent possible in accordance with the provisions of DoD 8320.1–M,[13] ''Data Administration Procedures''.

(c) The reporting requirement outlined in this subpart is assigned Report Control Symbol DD–PA(A)1365.

§286.34 Annual report content.

The current edition of DD Form 2564 will be used to submit component input. Instructions for completion follow:

(a) *Item 1.* Initial request determinations.

(1) *Total requests processed.* Enter the total number of initial FOIA requests responded to (completed) during the fiscal year.

NOTE: Since more than one action frequently is taken on a completed case, Total Actions, (see paragraph (a)(6) of this section) the sum of paragraphs (a)(2) through (a)(5) of this section can exceed *Total Requests Processed* (See appendix F to this part for form layout).

(2) *Granted in full.* Enter the total number of initial FOIA requests responded to that were granted in full during the fiscal year. (This may include requests granted by your office, yet still requiring action by another office.)

(3) *Denied in part.* Enter the total number of initial FOIA requests responded to and denied in part based on one or more of the nine FOIA exemptions. (Do not report denial of fee waivers.)

(4) *Denied in full.* Enter the total number of initial FOIA requests responded to and denied in full based on one or more of the nine FOIA exemptions. (Do not report denial of fee waivers.)

(5) *''Other reason'' responses.* Enter the total number of initial FOIA requests in which you were unable to provide all or part of the requested information based on an ''other reason'' response. Paragraph (b)(2) of this section explains the six possible ''other reasons''.

(6) *Total Actions.* Enter the total number of FOIA actions taken during the fiscal year. This number will be the sum of paragraph (a)(2) through (a)(5) of this section.

NOTE. Total actions must be equal to or greater than the number of total requests processed (paragraph (a)(1) of this section).)

(b) *Item 2.* (1) *Exemptions Invoked on Initial REQUEST Determinations.* Enter the number of times an exemption was claimed for each request that was denied in full or in part. Since more than one exemption may be claimed when responding to a single request, this number will be equal to or greater than the sum of paragraphs (a)(3) and (a)(4) of this section.

(2) *''Other reasons'' cited on initial determinations.* Identify the ''other reason'' response cited when responding to a FOIA request and enter the number of times each was claimed.

(i) *Transferred request.* Enter the number of times a request was transferred to another DoD component or Federal Agency for action.

(ii) *Lack of records.* Enter the number of times a search of files failed to identify records responsive to subject request.

(iii) *Failure of requester to reasonably describe record.* Enter the number of times a FOIA request could not be acted upon since the requester failed to reasonably describe the record(s) being sought.

(iv) *Other failures by requester to comply with published rules and/or directives.* Enter the number of times a requester failed to follow published rules concerning time, place, fees, and procedures.

(v) *Request withdrawn by requester.* Enter the number of times a requester withdrew a request and/or appeal.

(vi) *Not an agency record.* Enter the number of times a requester was provided a response indicating the requested information was not an agency record.

(vii) *Total.* Enter the sum of paragraph (b)(2)(i) through (b)(2)(vi) of this section. This number will be equal to or greater than the number in paragraph (a)(5) of this section since more than one reason may be claimed for each ''other reason'' response.

(c) *Item 3.* Appeal determinations.

[13] See footnote 1 to §286.1(a).

(1) *Total appeal responses.* Enter the total number of FOIA appeals responded to (completed) during the fiscal year.

(2) *Granted in full.* Enter the total number of FOIA appeals responded to and granted in full during the year.

(3) *Denied in part.* Enter the total number of FOIA appeals responded to and denied in part based on one or more of the nine FOIA exemptions.

(4) *Denied in full.* Enter the total number of FOIA appeals responded to and denied in full based on one or more of the nine FOIA exemptions.

(5) *''Other reason'' responses.* Enter the total number of FOIA appeals in which you were unable to provide the requested information based on an ''other reason'' response. Paragraph (b)(2) of this section explains the six possible ''other reasons''.

(6) *Total actions.* Enter the total number of FOIA appeal actions taken during the fiscal year. This number will be the sum of paragraphs (c)(2) through (c)(5) of this section and should be equal or greater than the number of total appeal responses, paragraph (c)(1) of this section.

(d) *Item 4.* (1) *Exemtions invoked on appeal determinations.* Enter the number of times an exemption was claimed for each appeal that was denied in full or in part. Since more than one exemption may be claimed when responding to a single request, this number will be equal to or greater than the sum of paragraphs (c)(3) and (c)(4) of this section.

(2) *''Other reasons'' cited on appeal determinations.* Identify the ''other reason'' response cited when responding to a FOIA appeal and enter the number of times each was claimed. See paragraph (b)(2) of this section for description of ''other reasons''. This number can be equal to or possibly greater than the number in paragraph (c)(5) of this section since more than one reason may be claimed for each ''other reason'' response.

(e) *Item 5. Exemption 3 statutes invoked on initial and appeal determinations.* Identify the number of times you have used a specific statute to support each use of exemption 3 identified in paragraphs (b)(1) and (d)(1) of this section. List the statutes used to support each use of exemption 3; the number of instances in which the statute was cited; note whether or not the statute has been upheld in a court hearing; and provide a concise description of the material withheld in each individual case by the statute's use. Ensure you cite specific sections of acts invoked. To qualify as a 5 U.S.C. 552(b)(3) exemption, the statute must contain clear wording that the information covered will not be disclosed. The total number of instances reported above will be equal to or greater than the total number of 5 U.S.C. 552(b)(3) exemptions listed in paragraphs (b)(1) and (d)(1) of this section.

(f) *Item 6. Number and median age of cases pending as of September 30 of the preceding year.* (1) *Total number of initial requests pending as of September 30, preceding year.* Enter the total number of initial FOIA requests pending (open) as of the day before the current reporting period began (September 30 previous to the reported period, fiscal year).

(2) *Median age of requests pending as of September 30 of the preceding year.* Enter the median age of pending FOIA requests as of the day before the current reporting period began (September 30 previous to the reported period, fiscal year).

(3) *Examples.* (i) Given five cases aged 10, 25, 35, 65, and 100 days from date of receipt as of the previous September 30. The total requests pending is five. The median age (days) of open requests is the middle, not average value, in this set of numbers (10, 25, 35, 65, and 100), 35 (the middle value in the set).

(ii) Given six pending cases, aged 10, 20, 30, 50, 120, and 200 days from date of receipt, as of the previous September 30, the total requests pending is six. The median age (days) of open requests 40 days (the mean [average] of the two middle numbers in the set, in this case the average of middle values 30 and 50).

(g) *Item 7. Number of initial requests received during the fiscal year.* Enter the total number of initial FOIA requests received during the reporting period (fiscal year being reported).

(h) *Item 8. Types of requests processed and median age.* Information is reported for three types of initial requests completed during the reporting period:

Simple; Complex; and Expedited Processing. The following items of information are reported for these requests:

(1) *Total number of initial requests.* Enter the total number of initial requests processed during the reporting period (fiscal year) by type (Simple, complex and expedited processing) in the appropriate row on the form.

(2) *Median age (days).* Enter the median number of days required to process each type of case (Simple, complex and expedited processing) during the period in the appropriate row on the form.

(3) *Example.* Given seven initial requests, multitrack—Simple completed during the fiscal year, aged 10, 25, 35, 65, 79, 90 and 400 days when completed. The total number of requests completed was seven. The median age (days) of completed requests is 65, the middle value in the set.

(i) *Item 9. Fees collected from the public.* Enter the total amount of fees collected from the public during the fiscal year. This includes search, review and reproduction costs only.

(j) *Item 10*—(1) *FOIA program costs.*—(i) *Personnel costs.* Paragraphs (j)(1)(i) and (j)(1)(ii) of this section are used to capture man-years and salary costs of personnel primarily involved in planning, program management and/or administrative handling of FOIA requests. Determine salaries for military personnel by using the composite standard pay rates (DoD 7220.9–M thnsp;[14]). For civilian personnel use Office of Personnel Management salary table and add 16% for benefits. A sample computation is shown:

Grade	Number of personnel	Salary	Percent of time	Costs
O–5	1	$90,707	10	$9,071
O–1	1	37,545	10	3,755
E–7	1	44,375	50	22,188
Totals	3		70	35,014

(A) *Estimated man-years.* Add the total percentages of time for personnel involved in administering the FOIA program and divide by 100. In the example shown in the table in this paragraph (j)(1)(i), (10+10+50)/100=.7 man-years.

(B) *Man-year costs.* Total costs associated with salaries of individuals involved in administering FOIA program. In the example shown in the table in this paragraph (j)(1)(i), the total cost if $35,014.

(C) *Estimated man-hour costs by category.* This section accounts for all other personnel not reported in paragraphs (j)(1)(i)(A) and (j)(1)(i)(B) of this section who are involved in processing FOIA requests. Enter the total hourly cost for each of the five areas described.

(*1*) *Search time.* This includes only those direct costs associated with time spent looking for material that is responsive to a request, including line-by-line identification of material within a document to determine if it is responsive to the request. Searches may be done manually or by computer using existing programming.

(*2*) *Review and excising.* This includes all direct costs incurred during the process of examining documents located in response to a request to determine whether any portion of any document located is permitted to be withheld. It also includes excising documents to prepare them for release. It does not include time spent resolving general legal or policy issues regarding the application of exemptions.

(*3*) *Coordination and approval.* This includes all costs involved in coordinating the release/denial of documents requested under the FOIA.

(*4*) *Correspondence/form preparation.* This includes all costs involved in typing responses, filling out forms, etc., to respond to a FOIA request.

(*5*) *Other activities.* This includes all other processing costs not covered above, such as processing time by the mail room.

[14] See footnote 1 to § 286.1(a).

(6) *Total.* Enter the sum of paragraphs (j)(1)(A) through (j)(1)(i)(E) of this section.

(D) *Overhead.* This is the cost of supervision, space, and administrative support. It is computed as 25% of the sum of paragraphs (j)(1)(i)(B) and (j)(1)(i)(C) of this section.

(E) *Total.* Enter the sum of paragraphs (j)(1)(i)(B), (j)(1)(i)(C) and (j)(1)(i)(D) of this section.

(ii) *Other case-related costs.* Using the fee schedule, enter the total amounts incurred in each of the following paragraphs.

(A) *Computer search time.* This includes cost of central processing unit, input/output devices, memory, etc. of the computer system used, as well as the wage of the machine's operator/programmer. Since desk top/personal computers have no central processing units, when these systems are involved, computer search shall consist only of personnel time to accomplish the job.

(B) *Office copy reproduction.* This is the cost of reproducing normal documents with office copying equipment.

(C) *Microfiche reproduction.* This is the cost of reproducing records and providing microfiche.

(D) *Printed records.* This is the cost of providing reproduced copies of forms, publications, or reports.

(E) *Computer copy.* This is the actual cost of duplicating magnetic tapes, floppy diskettes, computer printouts, etc.

(F) *Audiovisual materials.* This is the actual cost of duplicating audio or video tapes or like materials, to include the wage of the person doing the work.

(G) *Other.* Report all other costs which are easily identifiable, such as per diem, operation of courier vehicles, training courses, printing (indexes and forms), long distance telephone calls, special mail services, use of indicia, etc.

(H) *Subtotal.* Enter the sum of paragraphs (j)(1)(ii)(A) through (j)(1)(ii)(G) of this section.

(I) *Overhead.* This is the cost of supervision, space, and administrative support. It is computed as 25% of paragraph (j)(1)(ii)(H) of this section.

(J) *Total.* Enter the sum of paragraphs (j)(1)(ii)(H) and (j)(1)(ii)(I) of this section.

(iii) *Cost of routine requests processed.* This item is optional. Some reporting activities may find it economical to develop an average cost factor for processing repetitive routine requests rather than tracking costs on each request as it is processed. Care should be exercised so that costs are comprehensive to include a 25% overhead, yet are not duplicated elsewhere in the report. Multiply the number of routine requests processed time the cost factor to compute this amount.

(iv) *Total costs.* Enter the sum of paragraphs (j)(1)(i) through (j)(1)(iii) of this section.

(2) *Number of full time staff.* Enter the number of people in your agency that process FOIA actions full time.

(k) *Item 11. Date report prepared.* Enter the date the report was completed and signed by an approving official.

(l) *Item 12. Name, address & phone number of agency.* Enter data for the agency or activity that prepared the report.

(m) *Item 13. Signature, typed name, and title of approving official.* Enter the name and title of the individual approving the report. Approval of the report is indicated by the official's signature.

Subpart H—Education and Training

§ 286.37 Responsibility and purpose.

(a) *Responsibility.* The Head of each DoD Component is responsible for the establishment of educational and training programs on the provisions and requirements of this part. The educational programs should be targeted toward all members of the DoD Component, developing a general understanding and appreciation of the DoD FOIA Program; whereas, the training programs should be focused toward those personnel who are involved in the day-to-day processing of FOIA requests, and should provide a thorough understanding of the procedures outlined in this part.

(b) *Purpose.* The purpose of the educational and training programs is to

promote a positive attitude among DoD personnel and raise the level of understanding and appreciation of the DOD FOIA Program, thereby improving the interaction with members of the public and improving the public trust in the DoD.

(c) *Scope and principles.* Each Component shall design its FOIA educational and training programs to fit the particular requirements depending upon their degree of involvement in the implementation of this part. The program should be designed to accomplish the following objectives:

(1) Familiarize personnel with the requirements of the FOIA and its implementation by this part.

(2) Instruct personnel, who act in FOIA matters, concerning the provisions of this part, advising them of the legal hazards involved and the strict prohibition against arbitrary and capricious withholding of information.

(3) Provide for the procedural and legal guidance and instruction, as may be required, in the discharge of the responsibilities of initial denial and appellate authorities.

(4) Advise personnel of the penalties for noncompliance with the FOIA.

(d) *Implementation.* To ensure uniformity of interpretation, all major educational and training programs concerning the implementation of this part should be coordinated with the Director, Freedom of Information and Security Review, OASD(PA).

(e) *Uniformity of legal interpretation.* In accordance with DoD Directive 5400.7, the DoD Office of the General Counsel shall ensure uniformity in the legal position and interpretation of the DoD FOIA Program.

APPENDIX A TO PART 286—COMBATANT COMMANDS—PROCESSING PROCEDURES FOR FOIA APPEALS

1. GENERAL

a. In accordance with DoD Directive 5400[1] and this part, the Combatant Commands are placed under the jurisdiction of the Office of the Secretary of Defense, instead of the administering Military Department, only for the purpose of administering the Freedom of Information Act (FOIA) Program. This policy represents an exception to the policies in DoD Directive 5100.3.[2]

b. The policy change in paragraph 1.a. of this section authorizes and requires the Combatant Commands to process FOIA requests in accordance with DoD Directive 5100.7 and DoD Instruction 54001.10[3] and to forward directly to the OASD(PA) all correspondence associated with the appeal of an initial denial for information under the provisions of the FOIA.

2. RESPONSIBILITIES OF COMMANDS

Combatant Commanders in Chief shall:

a. Designate the officials authorized to deny initial FOIA requests for records.

b. Designate an office as the point-of-contact for FOIA matters.

c. Refer FOIA cases to the OASD(PA) for review and evaluation when the issues raised are of unusual significance, precedent setting, or otherwise require special attention or guidance.

d. Consult with other OSD and DoD Components that may have a significant interest in the requested record prior to a final determination. Coordination with Agencies outside of the Department of Defense, if required, is authorized.

e. Coordinate proposed denials of records with the appropriate Combatant Command's Office of the Staff Judge Advocate.

f. Answer any request for a record within 10 working days (20 working days effective October 2, 1997) of receipt. The requester shall be notified that his request has been granted or denied. In unusual circumstances, such notification may state that additional time, not to exceed 10 working days, is required to make determination.

g. Provide to the OASD(PA) when the request for a record is denied in whole or in part, a copy of the response to the requester or his representative, and any internal memoranda that provide background information or rationale for the denial.

h. State in the response that the decision to deny the release of the requested information, in whole or in part, may be appealed to the Assistant Secretary of Defense for Public Affairs, Directorate for Freedom of Information and Security Review, Room 2C757, the Pentagon, Washington, DC 20301–1400.

i. Upon request, submit to OASD(PA) a copy of the records that were denied. ASD(PA) shall make such requests when adjudicating appeals.

[1] Copies may be obtained, at cost, from the National Technical Information Service 5285 Port Royal Road, Springfield, VA 22161.

[2] See footnote 1 to section 1.a. of this appendix.

[3] See footnote 1 to section 1.a. of this appendix.

3. FEES FOR FOIA REQUESTS

The fees charged for requested records shall be in accordance with subpart F of this part.

4. COMMUNICATIONS

Excellent communication capabilities currently exists between the OASD(PA) and the Public Affairs Offices of the Combatant Commands. This communication capability shall be used for FOIA cases that are time sensitive.

5. INFORMATION REQUIREMENTS

a. The Combatant Commands shall submit to the OASD(PA) an annual report. The instructions for the report are outlined in subpart G of this part.

b. The annual reporting requirement contained in this regulation shall be submitted in duplicate to the OASD(PA) not later than each November 30. This reporting requirement has been assigned Report Control Symbol DD-PA(A) 1365 in accordance with DoD 8910.1-M.[4]

APPENDIX B TO PART 286—ADDRESSING FOIA REQUESTS

1. GENERAL

a. The Department of Defense includes the Office of the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, the Military Departments, the Combatant Commands, the Inspector General, the Defense Agencies, and the DoD Field Activities.

b. The Department of Defense does not have a central repository for DoD records. FOIA requests, therefore, should be addressed to the DoD Component that has custody of the record desired. In answering inquiries regarding FOIA requests, DoD personnel shall assist requesters in determining the correct DoD Component to address their requests. If there is uncertainty as to the ownership of the record desired, the requester shall be referred to the DoD Component that is most likely to have the record.

2. LISTING OF DOD COMPONENT ADDRESSES FOR FOIA REQUESTS

a. *Office of the Secretary of Defense and the Chairman of the Joint Chiefs of Staff.* Send all requests for records from the below listed offices to: Office of the Assistant Secretary of Defense (Public Affairs), ATTN: Directorate for Freedom of Information and Security Review, Room 2C757, 1400 Defense Pentagon, Washington, DC 20301–1400.

(1) Executive Secretariat
(2) Under Secretary of Defense (Policy)
(i) Assistant Secretary of Defense (International Security Affairs)
(ii) Assistant Secretary of Defense (International Security Policy)
(iii) Assistant Secretary of Defense (Special Operations & Low Intensity Conflict)
(iv) Assistant Secretary of Defense (Strategy & Requirements)
(v) Deputy to the Under Secretary of Defense (Policy Support)
(vi) Director of Net Assessment
(vii) Defense Security Assistant Agency
(viii) Defense technology Security Administration
(3) Under Secretary of Defense (Acquisition & Technology)
(i) Deputy Under Secretary of Defense (Logistics)
(ii) Deputy Under Secretary of Defense (Advanced Technology)
(iii) Deputy Under Secretary of Defense (Acquisition Reform)
(iv) Deputy Under Secretary of Defense (Environmental Security)
(v) Deputy Under Secretary of Defense (Space)
(vi) Deputy Under Secretary of Defense (International & Commercial Programs)
(vii) Deputy Under Secretary of Defense (Industrial Affairs & Installations)
(viii) Assistant to the Secretary of Defense (Nuclear, Chemical & Biological Defense Programs)
(ix) Director, Defense Research & Engineering
(x) Director, Small & Disadvantaged Business Utilization
(xi) Director, Defense Procurement
(xii) Director, Test Systems Engineering & Evaluation
(xiii) Director, Strategic & Tactical Systems
(xiv) Director, Administration and Management
(xv) Defense Evaluation Support Activity
(xvi) DoD Radiation Experiments Command Center
(xvii) On-Site Inspection Agency
(4) Under Secretary of Defense (Comptroller)
(5) Director Program Analysis and Evaluation
(6) Under Secretary of Defense (Personnel & Readiness)
(i) Assistant Secretary of Defense (Health Affairs)
(ii) Assistant Secretary of Defense (Legislative Affairs)
(iii) Assistant Secretary of Defense (Public Affairs)
(iv) Assistant Secretary of Defense (Command, Control, Communications & Intelligence)
(v) Assistant Secretary of Defense (Reserve Affairs)
(7) General Counsel, Department of Defense
(8) Director, Operational Test and Evaluation

[4] See footnote 1 to section 1.a. of this appendix.

(9) Assistant to the Secretary of Defense (intelligence Oversight)
(10) Defense Advanced Research Projects Agency
(11) Ballistic Missile Defense Organization
(12) Defense Systems Management College
(13) National Defense University
(14) Armed Forces Staff College
(15) Department of Defense Dependents Schools
(16) Uniformed Services University of the Health Sciences
(17) Armed Forces Radiology Research Institute
(18) Washington Headquarters Service

b. *Department of the Army*. Army records may be requested from those Army officials who are listed in 32 CFR part 518. Send requests to the Freedom of Information and Privacy Acts Office, SAIS–IA–R/FP, Suite 201, 1725 Jefferson Davis Hwy, Arlington, VA 22202–4102, for records of the Headquarters, U.S. Army, or if there is uncertainty as to which Army activity may have the records.

c. *Department of the Navy*. Navy and Marine Corps records may be requested from any Navy or Marine Corps activity by addressing a letter to the Commanding Officer and clearly indicating that it is an FOIA request. Send requests to Chief of Naval Operations, NO9B30, 2000 Navy, Pentagon, Washington, DC 20350–2000, for records of the Headquarters, Department of the Navy, and to Commandant of the Marine Corps, (ARAD), Headquarters U.S. Marine Corps, 2 Navy Annex, Washington, DC 20380–1775, for records of the U.S. Marine Corps, or if there is uncertainty as to which Navy or Marine activities may have the records.

d. *Department of the Air Force*. Air Force records may be requested from the Commander of any Air Force installation, major command, or field operating agency (ATTN: FOIA Office). For Air Force records of Headquarters, United States Air Force, or if there is uncertainty as to which Air Force activity may have the records, send requests to Department of the Air Force, OL–P, 11CS/SCSR(FOIA), Room 4A1088C, 1000 Air Force, Pentagon, Washington, DC 20330–1000.

e. *Defense Contract Audit Agency (DCAA)*. DCAA records may be requested from any of its regional offices or from its Headquarters. Requesters should send FOIA requests to the Defense Contract Audit Agency, ATTN: CMR, 8725 John J. Kingman Road, Suite 2135, Fort Belvoir, VA 22060–6219, for records of its headquarters or if there is uncertainty as to which DCAA region may have the records sought.

f. *Defense Information Systems Agency (DISA)*. DISA records may be requested from any DISA field activity or from its Headquarters. Requesters should send FOIA requests to Defense Information Systems Agency, Regulatory/General Counsel, 701 South Courthouse Road, Arlington, VA 22204–2199.

g. *Defense Intelligence Agency (DIA)*. FOIA requests for DIA records may be addressed to Defense Intelligence Agency, ATTN: SVI–1, Washington, DC 20340–5100.

h. *Defense Investigative Service (DIS)*. All FOIA requests for DIS records should be sent to the Defense Investigative Service, Office of FOIA and Privacy V0020, 1340 Braddock Place, Alexandria, VA 22314–1651.

i. *Defense Logistics Agency (DLA)*. DLA records may be requested from its headquarters or from any of its field activities. Requesters should send FOIA requests to Defense Logistics Agency, ATTN: DLA/CAAV, John J. Kingman Road, Suite 2533, Ft. Belvoir, VA 22060–6221.

j. *National Imagery and Mapping Agency (NIMA)*. FOIA requests for NIMA records may be sent to the National Imagery and Mapping Agency, General Counsel's Office, GCM, Mail Stop D–10, 4600 Sangamore Road, Bethesda, MD 20816–5003.

k. *Defense Special Weapons Agency (DSWA)*. FOIA requests for DSWA records may be sent to the Defense Special Weapons Agency, Public Affairs Office, Room 113, 6801 Telegraph Road, Alexandria, VA 22310–3398.

l. *National Security Agency (NSA)*. FOIA requests for NSA records may be sent to the National Security Agency/Central Security Service, FOIA/PA Services, N5P5, 9800 Savage Road, Suite 6248, Fort George G. Meade, MD 20755–6248.

m. *Inspector General of the Department of Defense (IG, DoD)*. FOIA requests for IG, DoD records may be sent to the Inspector General of the Department of Defense, Chief FOIA/PA Office, 400 Army Navy Drive, Room 405, Arlington, VA 22202–2884.

n. *Defense Finance and Accounting Service (DFAS)*. DFAS records may be requested from any of its regional offices or from its Headquarters. Requesters should send FOIA requests to Defense Finace and Accounting Service, Directorate for External Services, Crystal Mall 3, Room 416, Arlington, VA 22240–5291, for records of its Headquarters, or if there is uncertainty as to which DFAS region may have the records sought.

o. *National Reconnaissance Office (NRO)*. FOIA requests for NRO records may be sent to the National Reconnaissance Office, Information Access and Release Center, Attn: FOIA Officer, 14675 Lee Road, Chantilly, VA 20151–1715.

3. Other Addresses

Although the following organizaitons are OSD and Chairman of the Joint Chiefs of Staff Components for the purposes of the FOIA, requests may be sent directly to the addresses indicated:

a. *Office of Civilian Health and Medical Program of the Uniformed Services (OCHAMPUS)*.

Director, OCHAMPUS, ATTN: Freedom of Information Officer, Aurora, CO 80045–6900.

b. *Chairman Armed Services Board of Contract Appeals (ASBCA).* Chairman, Armed Services Board of Contract Appeals, Skyline Six Rm 703, 5109 Leesburg Pike, Falls Church, VA 22041–3208.

c. *U.S. Central Command.* Commander-in-Chief, Central Command, CCJ1/AG, MacDill Air Force Base, FL 33608–7001.

d. *U.S. European Command.* Commander-in-Chief, Headquarters, U.S. European Command/ECJ1–AA(FOIA) Unit 30400 Box 1000, APO AE 09128–4209.

e. *U.S. Southern Command.* Commander-in-Chief, U.S. Southern Command, Unit 1110, SCJ1–A, APO AA 34003–0007.

f. *U.S. Pacific Command.* Commander-in-Chief, U.S. Pacific Command, USPACOM FOIA Coordinator (J042), Administrative Support Division, Joint Secretariat, Box 28, Camp H.M. Smith, HI 96861–5025.

g. *U.S. Special Operations Command.* Commander-in-Chief, U.S. Special Operations Command, Chief, Command Information Management Branch, ATTN: SOJ6–SI, 7701 Tampa Point Blvd., MacDill Air Force Base, FL 33621–5323.

h. *U.S. Atlantic Command.* Commander-in-Chief, U.S. Atlantic Command, Code J02P, Norfolk, VA 23511–5100.

i. *U.S. Space Command.* Commander-in-Chief, U.S. Space Command, Command Records Manager/FOIA/PA Officer, 150 Vandenberg Street, Suite 1105, Peterson Air Force Base, CO 80914–5400.

j. *U.S. Transportation Command.* Commander-in-Chief, U.S. Transportation Command, ATTN: TCIM–F, 508 Scott Drive, Scott Air Force Base, IL 62225–5357.

k. *U.S. Strategic Command.* Commander-in-Chief, U.S. Strategic Command, Attn: J0734, 901 SAC Blvd., Suite 1E5, Offutt Air Force Base, NE 68113-6073.

4. NATIONAL GUARD BUREAU

FOIA requests for National Guard Bureau records may be sent to the Chief, National Guard Bureau, ATTN: NGB–ADM, Room 2C363, 2500 Army Pentagon, Washington, DC 20310–2500.

5. MISCELLANEOUS

If there is uncertainty as to which DoD Component may have the DoD record sought, the requester may address a Freedom of Information request to the Office of the Assistant Secretary of Defense (Public Affairs), Directorate for Freedom of Information and Security Review, Room 2C757, 1400 Defense Pentagon, Washington, DC 20301–1400.

APPENDIX C TO PART 286—OTHER REASON CATEGORIES

1. TRANSPORTATION REQUESTS

This category applies when responsibility for making a determination or a decision on category 2, 3, or 4 of this appendix is shifted from one Component to another, or to another Federal Agency.

2. LACK OF RECORDS

This category covers those situations wherein the requester is advised the DoD Component has no record or has no statutory obligation to create a record.

3. FAILURE OF REQUESTER TO REASONABLY DESCRIBE RECORD

This category is specifically based on section 552(a)(3)(a) of the FOIA.

4. OTHER FAILURES BY REQUESTERS TO COMPLY WITH PUBLISHED RULES OR DIRECTIVES

This category is based on Section 552(a)(3)(b) of the FOIA and includes instances of failure to follow published rules concerning time, place, fees, and procedures.

5. REQUEST WITHDRAWN BY REQUESTER

This category covers those situations wherein the requester asks an agency to disregard the request (or appeal) or pursues the request outside FOIA channels.

6. NOT AN AGENCY RECORD

This category covers situations where the information requested is not an agency record within the meaning of the FOIA and this part.

APPENDIX D TO PART 286

RECORD OF FREEDOM OF INFORMATION (FOI) PROCESSING COST

Please read instructions on back before completing form.

1. REQUEST NUMBER	2. TYPE OF REQUEST *(X one)*		3. DATE COMPLETED *(YYYYMMDD)*
	a. INITIAL	b. APPEAL	

	TOTAL HOURS (1)		HOURLY RATE (2)		COST (3)
4. CLERICAL HOURS *(E-9/GS-8 and below)*					
a. SEARCH		X	$12.00	=	*
b. REVIEW/EXCISING					**
c. CORRESPONDENCE AND FORMS PREPARATION					
d. OTHER ACTIVITY					
5. PROFESSIONAL HOURS *(O-1 - O-6/GS-9 - GS-15)*					
a. SEARCH		X	$25.00	=	*
b. REVIEW/EXCISING					**
c. COORDINATION/APPROVAL/DENIAL					
d. OTHER ACTIVITY					
6. EXECUTIVE HOURS *(O-7 - GS-16/ES 1 and above)*					
a. SEARCH		X	$45.00	=	*
b. REVIEW/EXCISING					**
c. COORDINATION/APPROVAL/DENIAL					
7. COMPUTER SEARCH					
a. MACHINE HOURS		X		=	*
b. PROGRAMMER/OPERATOR TIME					
(1) Clerical			$12.00		*
(2) Professional			$25.00		*
8. OFFICE COPY REPRODUCTION	NUMBER (1)		RATE (2)		COST (3)
a. PAGES REPRODUCED		X	.15	=	*
9. MICROFICHE REPRODUCTION	NUMBER (1)		RATE (2)		COST (3)
a. MICROFICHE REPRODUCED		X	.25	=	*
10. PRINTED RECORDS	TOTAL PAGES (1)		RATE (2)		COST (3)
a. FORMS		X	.02	=	*
b. PUBLICATIONS					*
c. REPORTS					*
11. COMPUTER COPY	NUMBER (1)		ACTUAL COST (2)		COST (3)
a. TAPE		X		=	*
b. PRINTOUT					*
12. AUDIOVISUAL MATERIALS	NUMBER (1)		ACTUAL COST (2)		COST (3)
a. MATERIALS REPRODUCED		X		=	*

13. FOR FOI OFFICE USE ONLY

a. SEARCH FEES PAID		f. TOTAL COLLECTABLE COSTS	
b. REVIEW FEES PAID		g. TOTAL PROCESSING COSTS	
c. COPY FEES PAID		h. TOTAL CHARGED	
d. TOTAL PAID		i. FEES WAIVED/REDUCED *(X one)*	Yes / No
e. DATE PAID *(YYYYMMDD)*			

** Chargeable to all requesters after application of all waiver criteria.*
*** Chargeable only to commercial requesters.*

DD FORM 2086, MAY 1997 PREVIOUS EDITION IS OBSOLETE.

INSTRUCTIONS FOR COMPLETING DD FORM 2086

This form is used to record costs associated with the processing of a Freedom of Information request.

1. REQUEST NUMBER - First two digits will express Calendar Year followed by dash (-) and Component's request number, i.e., 97-001.

2. TYPE OF REQUEST - Mark the appropriate block to indicate initial request or appeal of a denial.

3. DATE COMPLETED - Enter year, month and day, i.e., 19970621.

4. CLERICAL HOURS - For each applicable activity category, enter time expended to the nearest 15 minutes in the total hours column. The activity categories are:

Search - Time spent in locating from the files the requested information.

Review/Excising - Time spent in reviewing the document content and determining if the entire document must retain its classification or segments could be excised thereby permitting the remainder of the document to be declassified. In reviews for other than classification, FOI exemptions 2 through 9 should be considered.

Correspondence and Forms Preparation - Time spent in preparing the necessary correspondence and forms to answer the request.

Other Activity - Time spent in activity other than above, such as duplicating documents, hand carrying documents to other locations, restoring files, etc.

- Multiply the time in the total hours column of each category by the hourly rate and enter the cost figures for each category.

5. PROFESSIONAL HOURS - For each applicable activity category, enter time expended to the nearest 15 minutes in the total hours column. The activity categories are:

Search/Review/Excising, and Other Activity - See explanation above.

Coordination/Approval/Denial - Time spent coordinating the staff action with interested offices or agencies and obtaining the approval for the release or denial of the requested information.

- Multiply the time in the total hours column of each category by the hourly rate and enter the cost figures for each category.

6. EXECUTIVE HOURS - For each applicable activity category, enter the time expended to the nearest 15 minutes in the total hours column. The activity categories are:

Search/Review/Excising - See explanation above.

Coordination/Approval/Denial - See explanation above.

- Multiply the time in the total hours column of each category by the hourly rate and enter the cost figures for each category.

7. COMPUTER SEARCH - When the amount of government- owned (not leased) computer processing machine time required to complete a search is known, and accurate cost information for operation on an hourly basis is available, enter the time used and the hourly rate. Then, calculate the total cost which is fully chargeable to the requester.

- Programmer and operator costs are calculated using the same method as in Items 4 and 5. This cost is also fully chargeable to requesters as computer search time.

8. OFFICE COPY REPRODUCTION - Enter the number of pages reproduced.

- Multiply by the rate per copy and enter cost figures.

9. MICROFICHE REPRODUCTION - Enter the number of microfiche copies reproduced.

- Multiply by the rate per copy and enter cost figures.

10. PRINTED RECORDS - Enter total pages in each category. The categories are:

Forms *(Include any type of printed forms)*

Publications *(Include any type of bound document, such as directives, regulations, studies, etc.)*

Reports *(Include any type of memorandum, staff action paper, etc.)*

- Multiply the total number of pages in each category by the rate per page and enter cost figures.

11. COMPUTER COPY - Enter the total number of tapes and/or printouts.

- Multiply by the actual cost per tape or printout and enter cost figures.

12. AUDIOVISUAL MATERIALS - Duplication cost is the actual cost of reproducing the material, including the wages of the person doing the work.

13. FOR FOI OFFICE USE ONLY -

Search Fees Paid - Enter total search fees paid by the requester.

Review Fees Paid - Enter total review fees paid by the requester.

Copy Fees Paid - Enter the total of copy fees paid by the requester.

Total Paid - Add search fees paid and copy fees paid. Enter total in the total paid block.

Date Paid - Enter year, month, and day, i.e., 19971024, the fee payment was received.

Total Collectable Costs - Add the blocks in the cost column marked with an asterisk and enter total in the total collectable cost block. Apply the appropriate waiver for the category of requester prior to inserting the final figure. Further discussion of chargeable fees is contained in Chapter VI of DoD Regulation 5400.7-R.

Total Processing Costs - Add all blocks in the cost column and enter total in the total processing cost block. The total processing cost in most cases will exceed the total collectable cost.

Total Charged - Enter the total amount that the requester was charged, taking into account the fee waiver threshold and fee waiver policy.

Fees Waived/Reduced - Indicate if the cost of processing the request was waived or reduced by placing an "X" in the "Yes" block or the "No" block.

DD FORM 2086 (BACK), MAY 1997

APPENDIX E TO PART 286

RECORD OF FREEDOM OF INFORMATION (FOI) PROCESSING COST FOR TECHNICAL DATA

Please read instructions on back before completing form.

1. REQUEST NUMBER	2. TYPE OF REQUEST *(X one)*		3. DATE COMPLETED *(YYYYMMDD)*
	a. INITIAL	b. APPEAL	

4. CLERICAL HOURS *(E-9/GS-8 and below)*	TOTAL HOURS (1)		HOURLY RATE (2)		COST (3)
a. SEARCH					*
b. REVIEW/EXCISING		X	$13.25	=	*
c. CORRESPONDENCE AND FORMS PREPARATION					
d. OTHER ACTIVITY					
e. MINIMUM CHARGE			$ 8.30		

5. PROFESSIONAL HOURS *(O-1 - O-6/GS-9 - GS/GM-15)*	TOTAL HOURS (1)		HOURLY RATE (2)		COST (3)
a. SEARCH					*
b. REVIEW/EXCISING		X	ACTUAL HOURLY RATE	=	*
c. COORDINATION/APPROVAL/DENIAL					
d. OTHER ACTIVITY					
e. MINIMUM CHARGE			1/2 HOURLY RATE		

6. EXECUTIVE HOURS *(O-7/GM-16/ES 1 and above)*	TOTAL HOURS (1)		HOURLY RATE (2)		COST (3)
a. SEARCH					*
b. REVIEW/EXCISING		X	ACTUAL HOURLY RATE	=	*
c. COORDINATION/APPROVAL/DENIAL					
d. MINIMUM CHARGE			1/2 HOURLY RATE		

7. COMPUTER SEARCH	TOTAL HOURS (1)		HOURLY RATE (2)		COST (3)
a. MACHINE HOURS		X		=	*
b. PROGRAMMER/OPERATOR TIME					
- Clerical			$13.25 OR MINIMUM		*
- Professional			ACTUAL OR MINIMUM		*

8. REPRODUCTION	NUMBER (1)		RATE (2)		COST (3)
a. AERIAL PHOTOGRAPHS, SPECIFICATIONS, PERMITS, CHARTS, BLUEPRINTS, AND OTHER TECHNICAL DOCUMENTS			$ 2.50		*
b. ENGINEERING DATA *(Microfilm)*					
- Aperture cards					
-- Silver duplicate negative, per card			.75		*
-- When keypunched and verified, per card		X	.85	=	*
-- Diazo duplicate negative, per card			.65		*
-- When keypunched and verified, per card			.75		*
- 35 mm roll film, per frame			.50		*
- 16 mm roll film, per frame			.45		*
- Paper prints *(engineering drawings)*, each			1.50		*
- Paper reprints of microfilm indices, each			.10		*
c. AUDIOVISUAL MATERIALS *(Insert actual cost in block (2))*					*
d. OTHER TECHNICAL DATA RECORDS Charges for any additional services not specifically provided above shall be made by components at the following rates:					
- Minimum charge for office copy *(up to six images)*			$ 3.50		*
- Each additional image			.10		*
- Each typewritten page		X	3.50	=	*
- Certification and validation with seal, each			5.20		*
- Hand-drawn plots and sketches, each hour or fraction thereof			12.00		*

** Chargeable to all requesters.*

9. FOR FOI OFFICE USE ONLY			
a. SEARCH FEES PAID		f. TOTAL COLLECTABLE	
b. REVIEW FEES PAID		g. TOTAL PROCESSING	
c. COPY FEES PAID		h. TOTAL CHARGED	
d. TOTAL PAID		i. FEES WAIVED/REDUCED *(X one)*	YES / NO
e. DATE PAID *(YYYYMMDD)*			

DD FORM 2086-1, MAY 1997 PREVIOUS EDITION IS OBSOLETE.

INSTRUCTIONS FOR COMPLETING DD FORM 2086-1

This form is used to record costs associated with the processing of a Freedom of Information request for technical data.

1. **REQUEST NUMBER** - First two digits will express Calendar Year followed by dash (-) and Component's request number, i.e., 87-001.

2. **TYPE OF REQUEST** - Mark the appropriate block to indicate initial request or appeal of a denial.

3. **DATE COMPLETED** - Enter year, month and day, i.e., 19970621.

4. **CLERICAL HOURS** - For each applicable activity category, enter time expended to the nearest 15 minutes in the total hours column. The activity categories are:

Search - Time spent in locating from the files the requested information.

Review/Excising - Time spent reviewing the document content and determining if the entire document must retain its classification or segments could be excised thereby permitting the remainder of the document to be declassified. In reviews for other than classification, FOI exemptions 2 through 9 should be considered.

Correspondence and Forms Preparation - Time spent in preparing the necessary correspondence and forms to answer the request.

Other Activity - Time spent in activity other than above, such as duplicating documents, hand carrying documents to other locations, restoring files, etc.

- Multiply the time in the total hours column of each category by the hourly rate and enter the cost figures for each category. Both search and review costs are chargeable to the requester.

5. **PROFESSIONAL HOURS** - For each applicable activity category, enter time expended to the nearest 15 minutes in the total hours column. The activity categories are:

Search/Review/Excising, and Other Activity - See explanation above.

Coordination/Approval/Denial - Time spent coordinating the staff action with interested offices or agencies and obtaining the approval for the release or denial of the requested information.

- Multiply the time in the total hours column of each category by the hourly rate and enter the cost figures for each category. Both search and review costs are chargeable to the requester.

6. **EXECUTIVE HOURS** - For each applicable activity category, enter the time expended to the nearest 15 minutes in the total hours column. The activity categories are:

Search/Review/Excising - See explanation above.

Coordination/Approval/Denial - See explanation above.

- Multiply the time in the total hours column in each category by the hourly rate and enter the cost figures for each category. Review costs are chargeable to the requester.

7. **COMPUTER SEARCH** - When the amount of government-owned (not leased) computer processing machine time is known, and accurate cost information for operation on an hourly basis is available, enter the time used and the hourly rate. Then, calculate the total cost which is fully chargeable to the requester.

- Programmer and operator costs are calculated using the same method as in Items 4 and 5. This cost is also fully chargeable to requesters as computer search time.

8. **REPRODUCTION** - Enter the number of pages or items reproduced.

- Multiply by the rate per copy and enter cost figures. The entire cost is chargeable to the requester. Reproduction cost for audiovisual material is the actual cost of reproducing the material, including the wage of the person doing the work.

9. **FOR FOI OFFICE USE ONLY** -

Search Fees Paid - Enter total search fees paid by the requester.

Review Fees Paid - Enter total review fees paid by the requester.

Copy Fees Paid - Enter the total of copy fees paid by the requester.

Total Paid - Add search fees paid and copy fees paid. Enter total in the total paid block.

Date Paid - Enter year, month, and day, i.e., 19971024, the fee payment was received.

Total Collectable Costs - Add the blocks in the cost column marked with an asterisk and enter total in the total collectable cost block. Only search, reproduction and printed records are chargeable to the requester. Further discussion of collectable costs is contained in Chapter VI, Section 3, DoD Regulation 5400.7-R.

Total Processing Costs - Add all blocks in the cost column and enter total in the total processing cost block. The total processing cost in most cases will exceed the total collectable cost.

Total Charged - Enter the total amount that the requester was charged, taking into account the fee waiver threshold and fee waiver policy.

Fees Waived/Reduced - Indicate if the cost of processing the request was waived or reduced by placing an "X" in the "YES" block or an "X" in the "NO" block.

DD FORM 2086-1 (BACK), MAY 1997

ANNUAL REPORT
FREEDOM OF INFORMATION ACT

REPORT CONTROL SYMBOL

1. INITIAL REQUEST DETERMINATIONS

a. TOTAL REQUESTS	b. GRANTED IN FULL	c. DENIED IN PART	d. DENIED IN FULL	e. "OTHER REASONS"	f. TOTAL ACTIONS

2a. EXEMPTIONS INVOKED ON INITIAL REQUEST DETERMINATIONS

(b) (1)	(b) (2)	(b) (3)	(b) (4)	(b) (5)	(b) (6)	(b) (7)	(b) (8)	(b) (9)

2b. "OTHER REASONS" CITED ON INITIAL REQUEST DETERMINATIONS

1	2	3	4	5	6	TOTAL

3. APPEAL DETERMINATIONS

a. TOTAL REQUESTS	b. GRANTED IN FULL	c. DENIED IN PART	d. DENIED IN FULL	e. "OTHER REASONS"	f. TOTAL ACTIONS

4a. EXEMPTIONS INVOKED ON APPEAL DETERMINATIONS

(b) (1)	(b) (2)	(b) (3)	(b) (4)	(b) (5)	(b) (6)	(b) (7)	(b) (8)	(b) (9)

4b. "OTHER REASONS" CITED ON APPEAL DETERMINATIONS

1	2	3	4	5	6	TOTAL

5. b (3) STATUTES INVOKED ON INITIAL AND APPEAL DETERMINATIONS *(Continue on plain paper as necessary)*

(1)(b)(3) STATUTE CLAIMED	NUMBER OF INSTANCES	COURT UPHELD? *(Yes or No)*	CONCISE DESCRIPTION OF MATERIAL WITHHELD

DD FORM 2564, MAY 1997 PREVIOUS EDITION IS OBSOLETE AFTER COMPLETION OF THE CY 1997 REPORT.

6. NUMBER AND MEDIAN AGE OF CASES PENDING AS OF SEPTEMBER 30 OF THE PRECEDING YEAR	
a. TOTAL INITIAL REQUESTS PENDING *(open)* AS OF SEPTEMBER 30	
b. MEDIAN AGE *(in days)* OF OPEN INITIAL REQUESTS	
7. TOTAL NUMBER OF INITIAL REQUESTS RECEIVED DURING THE FISCAL YEAR	

8. TYPES OF INITIAL REQUESTS PROCESSED AND MEDIAN AGE	TOTAL NUMBER OF CASES	MEDIAN AGE *(Days)*
a. SIMPLE		
b. COMPLEX		
c. EXPEDITED PROCESSING		
9. TOTAL AMOUNT COLLECTED FROM THE PUBLIC		$

10a. FOI PROGRAM COSTS			
I. PERSONNEL COSTS		II. OTHER CASE-RELATED COSTS	
A. ESTIMATED MANYEARS		A. COMPUTER SEARCH TIME	$
B. MANYEAR COSTS	$	B. OFFICE COPY REPRODUCTION	$
C. ESTIMATED MANHOUR COSTS BY		C. MICROFICHE REPRODUCTION	$
(1) Search Time	$	D. PRINTED RECORDS	$
(2) Review and Excising	$	E. COMPUTER COPY	$
(3) Coordination and Approval	$	F. AUDIOVISUAL MATERIALS	$
(4) Correspondence/Form Preparation	$	G. OTHER	$
(5) Other Activities	$	H. SUBTOTAL *(A through G)*	$
(6) Total *((1) through (5))*	$	I. OVERHEAD *(25% x H)*	$
D. OVERHEAD *((B+C) x 25%)*	$	J. TOTAL *(H+I)*	$
E. TOTAL *(B through D)*	$		
III. COST OF ROUTINE REQUESTS PROCESSED	$	IV. TOTAL COSTS *(I through III)*	$

10b. NUMBER OF FULL TIME STAFF	11. DATE REPORT PREPARED
12. AGENCY	**13. APPROVING OFFICIAL**
a. NAME	a. SIGNATURE
b. ADDRESS *(Include ZIP Code)*	b. TYPED NAME *(Last, First, Middle Initial)*
c. TELEPHONE NUMBER *(Include Area Code)*	c. TITLE

DD FORM 2564 (BACK), MAY 1997

APPENDIX G TO PART 286—DOD FREEDOM OF INFORMATION ACT PROGRAM COMPONENTS

a. Office of the Secretary of Defense/Chairman of the Joint Chiefs of Staff/Combatant Commands, Defense Agencies, and the DoD Field Activities
b. Department of the Army
c. Department of the Navy
d. Department of the Air Force
e. Defense Information Systems Agency
f. Defense Contract Audit Agency
g. Defense Intelligence Agency

h. Defense Investigative Science
i. Defense Logistics Agency
j. National Imagery and Mapping Agency
k. Defense Special Weapons Agency
l. National Security Agency
m. Office of the Inspector General, Department of Defense
n. Defense Finance and Accounting Service
o. National Reconnaissance Office

PART 286h—RELEASE OF ACQUISITION-RELATED INFORMATION

Sec.
286h.1 Purpose.
286h.2 Applicability and scope.
286h.3 Policy.
286h.4 Responsibilities.

AUTHORITY: Pub. L. 101–189.

SOURCE: 55 FR 28614, July 12, 1990, unless otherwise noted.

§286h.1 Purpose.

This part sets forth Department of Defense (DoD) policy for the release of acquisition-related information.

§286h.2 Applicability and scope.

(a) This part applies to the Office of the Secretary of Defense (OSD), the Military Departments, the Chairman, Joint Chiefs of Staff and Joint Staff (CJCS), the Unified and Specified Commands, and the Defense Agencies (hereafter referred to collectively as ''DoD Components'').

(b) This part is issued pursuant to section 822 of Public Law 101–189, which requires the Department of Defense to prescribe a single uniform regulation for dissemination of, and access to, acquisition information.

§286h.3 Policy.

(a) *General.* It is the Department of Defense's policy to make the maximum amount of acquisition-related information available to the public, and to respond promptly to specific requests from the public for such information, except for the information identified in paragraph (b) of this section, for which release is restricted.

(b) *Information for which release is restricted.* The information identified below may be released only as set forth herein.

(1) *Release subject to statutory restrictions.* This information may be released only in accordance with the applicable statutory requirements. Once the statutory requirements have been satisfied, the information may be released unless it falls within one of the categories described in the following paragraphs, in which case the policies governing release of information within those categories shall be followed.

(2) *Classified information.* (i) Any information or material, regardless of its physical form or characteristics, that is owned by, produced by or for, or under the control of the United States Government, and which, for national security purposes, must be protected against unauthorized disclosure and is so designated or marked with the appropriate classification.

(ii) Release, access, and dissemination of classified information shall be made through existing security channels in accordance with DoD 5220.22–R;[1] DoD 5220.22–M;[2] and DoD 5200.1–R,[3] which are implementing publications for safeguarding classified information release, access, and dissemination to United States and foreign concerns.

(3) *Contractor bid or proposal information.* (i) This is information prepared by or on behalf of an offeror and submitted to the Government as a part of or in support of the offeror's bid or proposal to enter into a contract with the Government, the disclosure of which would place the offeror at a competitive disadvantage or jeopardize the integrity or the successful completion of the procurement. Contractor bid or proposal information includes cost or pricing data, profit data, overhead and direct labor rates, and manufacturing processes and techniques. Contractor bid or proposal information does not include information that is available to the public.

(ii)(A) *Sealed bids.* (*1*) Prior to bid opening, no release or disclosure of contractor bid information shall be made to anyone other than those who are involved in the evaluation of the bids or to other individuals authorized

[1] Copies may be obtained, at cost, from the National Technical Information Services, 5285 Port Royal Road, Springfield, VA 22161.

[2] Copies may be obtained, at cost, from the Government Printing Office, ATTN: Superintendent of Documents, Washington, DC 20402.

[3] See footnote 1 to §286h.3(b)(2)(ii).

by the Head of the DoD Component, or his or her designee.

(*2*) After contract award, contractor bid information may be released or disclosed by those authorized by the Head of the DoD Component, or his or her designee, to make such release or disclosure, if the information to be released or disclosed is not subject to a restrictive legend authorized by Federal Acquisition Regulation (FAR) 52.215–12 or release is not otherwise restricted by law.

(*3*) *Negotiated procurements.* Prior to contract award, no release or disclosure of contractor proposal information shall be made to anyone other than those who are involved in the evaluation of the proposals or the source selection or to other individuals authorized by the Head of the DoD Component, or his or her designee. DoD Components shall adopt procedures in accordance with FAR 15.413 to protect against release or disclosure of contractor proposal information. After contract award, contractor proposal information may be released or disclosed by those authorized by the Head of the DoD Component, or his or her designee, to make such release or disclosure, if the information to be released or disclosed is not subject to a restrictive legend authorized by FAR 15.509 or FAR 52.215–12 or release is not otherwise restricted by law.

(4) *Source selection information.* (i) This is information prepared or developed for use by the Government in connection with the selection of a bid or proposal for the award of a contract. Only the following information, including copies or extracts thereof, is source selection information:

(A) Bid prices submitted in response to a Government solicitation for sealed bids or lists of such bid prices (applicable prior to bid opening only);

(B) Proposed costs or prices submitted in response to a Government solicitation prior to award of the contract, a list of proposed costs or prices;

(C) Source selection plans;

(D) Technical evaluation plans;

(E) Technical evaluations of competing proposals;

(F) Cost or price evaluations of competing proposals;

(G) Competitive range determinations;

(H) Rankings of competitors;

(I) The reports and evaluations or source selection boards, advisory councils, or the source selection authority (SSA); and

(J) Any other information which:

(*1*) If disclosed, would give an offeror a competitive advantage or jeopardize the integrity or successful completion of the procurement; and

(*2*) Is marked with the legend ''Source Selection Information.''

(ii) *Release of or access to source selection information (SSI)—(A) Access to SSI.* The SSA (including the contracting officer when the contracting officer is the SSA) shall restrict access to source selection information to only those Government employees directly involved in the source selection process or to those individuals who have been authorized by the Head of the DoD Component, or his or her designee, to have access to such information. If the contracting officer or the SSA have not been appointed, the Head of the DoD Component, or his or her designee, shall assure access to such information is properly restricted. Employees supervising or managing employees directly involved in the source selection process are not themselves by virtue of their positions directly involved in the source selection process.

(B) *Release of SSI—(1) Prior to contract award.* Source selection information shall not be released prior to contract award unless the Head of the DoD Component, or his or her designee, determines that release is in the public interest and would not jeopardize the integrity or successful completion of the procurement. The information to be released shall only be released by the contracting officer. The contracting officer shall make release in a manner that does not provide any potential offeror with a competitive advantage.

(*2*) *After contract award.* The need to protect source selection information generally ends with contract award. The contracting officer may release, or authorize the release of, any source selection information related to that contract award except: Source selection information specifically developed or prepared for use with more than one

solicitation when there is a continuing need to protect that information; unless otherwise permitted by law, source selection information containing contractor data or extracts thereof which are protected by law; information which would reveal the relative merits or technical standing of the competitors or the evaluation scoring; and any pre-decisional or other information not subject to release under the Freedom of Information Act. Debriefings to unsuccessful offerors shall be conducted in accordance with FAR 15.1003 and Defense Federal Acquisition Regulation Supplement (DFARS) 215.1003(a).

(5) *Planning, programming, and budgetary information.* (i) Planning, Programming, and Budgeting System (PPBS) documents and supporting data bases are not to be disclosed outside the Department of Defense (DoD) and other governmental agencies directly involved in the defense planning and resource allocation process (e.g., the Office of Management and Budget). PPBS papers and associated data set forth the details of proposed programs and plans. Access to this material by those not directly involved in the PPBS process undermines the confidentiality necessary for the Secretary and Deputy Secretary to obtain candid advice on the content of the defense program. Also, access to PPBS information by private firms seeking contracts with the Department may pose ethical, even criminal, problems for those involved and reduce effective competition in the contract awards process.

(ii)(A) Requests for exceptions to this limitation may be granted on a case-by-case basis to meet compelling needs, after coordination with the Office of General Counsel, by the Head of the OSD office responsible for the PPBS phase to which the document or data base pertains; the Under Secretary of Defense (Policy) for the planning phase; the Assistant Secretary of Defense (Program Analysis and Evaluation) for programming; and the Comptroller, DoD for budgeting. A list of the current major documents and data bases for each PPBS phase is in paragraph (B)(5)(11)(C) of this section; all other PPBS materials are also controlled under this policy.

(B) Disclosure of PPBS information to Congress and the General Accounting Office (GAO) is covered by statute and other procedures.

(C) Major PPBS Documents and Data Bases by Phase.

Planning Phase

(*1*) Defense Planning Guidance.

Programming Phase

(*2*) Fiscal Guidance (when separate from Defense Planning Guidance);

(*3*) Program Objective Memoranda (POM);

(*4*) POM Defense Program (formerly FYDP) documents (POM Defense Program, Procurement Annex, RDT&E Annex);

(*5*) Program Review Proposals;

(*6*) Issue Papers (aka, Major Issue Papers, Tier II Issue Papers, Cover Briefs);

(*7*) Proposed Military Department Program Reductions (or Program Offsets);

(*8*) Tentative Issue Decision Memoranda;

(*9*) Program Decision Memoranda;

Budgeting Phase

(*10*) Defense Program (formerly FYDP) documents for September and President's Budget Estimate submissions including Defense Program Procurement, RDT&E and Construction Annexes;

(*11*) Classified P–1, R–1 and C–1;

(*12*) Program Budget Decisions/Defense Management Review Decisions;

(*13*) Reports Generated by the Automated Budget Review System (BRS);

(*14*) DD Form 1414 Base for Programming;

(*15*) DD Form 1416 Report of Programs;

(*16*) Contract Award Reports;

(*17*) Congressional Data Sheets.

(iii) Contractor requests for information contained in the National Military Strategy Document (including annexes) and the Chairman's Program Assessment Document (including annexes and comments) shall be forwarded to the CJCS who shall determine on a case-by-case basis what information, if any, is releasable to the contractor.

(6) *Documents that disclose the Government's negotiating position.* Documents that would disclose the government's negotiating position (such as pre-negotiation business clearances and positions and government cost estimates) or would adversely impact the government negotiating strategy shall not be released.

(7) *Drafts and working papers.* Drafts and working papers that would otherwise be releasable under paragraph 286h.3(a) shall not be released where their release would inhibit the development of agency positions, jeopardize the free exchange of information that is part of the deliberative process, or compromise the decision-making process.

(c) *Freedom of Information Act.* Where a request for information, the release of which is restricted under paragraph 286h.3(b) is made under the Freedom of Information Act, the request shall be forwarded to the appropriate official for disposition in accordance with DoD 5400.7–R.[4] Requests for contractor bid or proposal information pursuant to the Freedom of Information Act shall be subject to subparagraph 5–207 a. of DoD 5400.7–R, which requires notice to a non-United States Government source of a record.

§ 286h.4 Responsibilities.

(a) The Under Secretary of Defense (Acquisition) shall be responsible for establishing uniform policies and procedures for the release of acquisition-related information.

(b) The Under Secretary of Defense (Policy), Assistant Secretary of Defense (Program Analysis and Evaluation) and Comptroller, DoD are responsible for adjudicating requests for access to Planning, Programming and Budgeting information pertaining to their respective phases of the PPB system.

(c) The Head of each DoD Component shall assure that procedures for the release of acquisition-related information are consistent with the policy contained in this Directive and shall not impose any additional restrictions on release of such information. These procedures shall specifically identify the individuals authorized to release and transmit acquisition-related information.

[4] See footnote 1 to § 286h.3(b)(2)(ii).

PART 287—DEFENSE INFORMATION SYSTEMS AGENCY (DISA) FREEDOM OF INFORMATION ACT PROGRAM

Sec.
287.1 Purpose.
287.2 Applicability.
287.3 Authority.
287.4 Responsibilities.
287.5 Fees.
287.6 Reports.
287.7 Questions.
287.8 ''For Official Use Only'' records.

AUTHORITY: 5 U.S.C. 552.

SOURCE: 57 FR 61324, Dec. 24, 1992, unless otherwise noted.

§ 287.1 Purpose.

This part delineates responsibility for making available to the public the maximum amount of information concerning the operations and activities of the Defense Information Systems Agency (DISA) and the Office of the Manager, National Communications System (OMNCS).

§ 287.2 Applicability.

This part applies to Headquarters, DISA/OMNCS, and DISA field activities in the Metropolitan Washington area.

§ 287.3 Authority.

Published in accordance with the authority contained in 32 CFR part 286.

§ 287.4 Responsibilities.

(a) The DISA Freedom of Information Act (FOIA) Officer at DISA Headquarters, 701 S. Courthouse Road, Arlington, VA, is vested with the authority, within DISA/OMNCS, to release records for all requests coming to Headquarters, DISA, and to the field activities in the Metropolitan Washington Area, and will:

(1) Make the material described in paragraph 2–101 of DoD Directive 5400.7–R,[1] DoD Freedom of Information

[1] Copies may be obtained at cost, from the National Technical Information Service, 5285 Port Royal Rd, Springfield, VA 22161.

Act Program available for public inspection and reproduction. A current index of this material will be maintained in accordance with paragraph 2–101 of DoD 5400.7–R.

(2) Establish education and training programs for all DISA/OMNCS military members and employees who contribute to DISA/OMNCS implementation of the Freedom of Information Act.

(3) Respond to all requests for records from private persons in accordance with 32 CFR part 286 whether the requests are received directly by Headquarters, DISA/OMNCS, or by DISA field activities. Coordinate such release with the General Counsel in any case in which release is, or may be controversial.

(4) Be the DISA/OMNCS principal point of contact for coordination with the Office of the Assistant Secretary of Defense (Public Affairs), reference FOIA issues.

(5) Ensure the cooperation of DISA/OMNCS with the OASD (PA) in fulfilling the responsibilities of monitoring the implementation of the Freedom of Information Act program.

(6) Refer cases of significance to the OASD (PA) for review and evaluation, after coordination with the General Counsel and with the approval of the Chief of Staff, when the issues raised are unusual, precedent setting, or otherwise require special attention or guidance.

(7) Advise the OASD (PA), prior to the denial of a request or prior to an appeal when two or more DoD components are affected by the request for a particular record, and when circumstances suggest a potential public controversy.

(8) Be responsible for the annual reporting requirement contained in 32 CFR part 286.

(9) Furnish copies of the material to be published in the Federal Register to DISA Code ADR.

(b) The mission/support staff Directors and the Chief of Staff, DISA will furnish the FOIA Officer, when requested, with DISA/OMNCS documentary material which qualifies as a record in accordance with 32 CFR part 286, for the purpose of responding to FOIA requests. All such requests for information will be referred to the FOIA Officer.

(c) The Chief of Staff, DISA will, on behalf of the Director, DISA, respond to the corrective or disciplinary action recommended by the Merit Systems Protection Board for arbitrary or capricious withholding of records requested, pursuant to the Freedom of Information Act, by military members or employees of DISA/OMNCS. This action will be coordinated with the General Counsel, DISA.

(d) The DISA General Counsel, or in his absence, the Deputy General Counsel within DISA/OMNCS is vested with the sole authority to deny, in whole or in part, a request. The General Counsel, DISA will:

(1) Make the decision, whenever a request for a record is to be denied in whole or in part, in accordance with the criteria provided in 32 CFR part 286.

(2) Inform the person denied a record of the basis for the denial of the request and of his or her right to appeal the decision to the Director, DISA via written correspondence.

(3) Ensure that if such an appeal is taken, that the basis for the determination by the Director, DISA not to release the record will be in writing, will state the reasons for the denial, and will inform the requester of his or her right to a judicial review in the appropriate U.S. district court.

(e) DISA (Code ADR) will arrange for the publication of this part in the FEDERAL REGISTER, after coordinating with the DISA/OMNCS Freedom of Information Act Officer and General Counsel.

§287.5 Fees.

Fees charged to the requester are contained in 32 CFR part 286.

§287.6 Reports.

Each major staff element and field activity on the distribution list of this part will furnish an annual report by January 5 to the Freedom of Information Officer, Headquarters, DISA, in accordance with 32 CFR part 286.

§ 287.7 Questions.

Questions on both the substance and procedures of the Freedom of Information Act and the DISA/OMNCS implementation thereof should be addressed to the Freedom of Information Act Officer by the most expeditious means possible, including telephone calls. Freedom of Information Act requests should be addressed as follows: Defense Information Systems Agency, Attention: Code ADA, 701 S. Courthouse Road, Arlington, VA 22204–2199. Calls should be made to (703) 692–2006.

§ 287.8 "For Official Use Only" records.

The designation ''For Official Use Only'' will be applied to documents and other material only as authorized by 32 CFR part 286.

PART 290—DEFENSE CONTRACT AUDIT AGENCY (DCAA) FREEDOM OF INFORMATION ACT PROGRAM

Sec.

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APPENDIX C TO PART 290—FOR OFFICIAL USE ONLY
APPENDIX D TO PART 290—AUDIT WORKING PAPERS

AUTHORITY: 5 U.S.C. 552.

SOURCE: 56 FR 49685, Oct. 1, 1991, unless otherwise noted.

§ 290.1 Purpose.

This part assigns responsibilities and establishes policies and procedures for a uniform DCAA Freedom of Information Act (FOIA) program pursuant to the provisions of the Freedom of Information Act, 5 U.S.C. 552, as implemented by DoD Directive 5400.7[1] and DoD 5400.7–R.[2]

§ 290.2 Cancellation.

DCAA Regulation 5410.8, DCAA Freedom of Information Act (FOIA) Program, dated 17 May 1989; DCAAR 5200.1, Control and Protection of ''For Official Use Only'' Information, dated 12 November 1985; and DCAA HQ Instruction 5200.9, Physical Security of ''For Official Use Only'' Information within Headquarters, DCAA, dated 20 November 1974, are superseded.

§ 290.3 Applicability and scope.

This rule applies to all DCAA organizational elements, and is to govern written responses by DCAA officials for requests from members of the public for permission to examine, or to be provided with copies of DCAA records. This rule also addresses Agency policies and procedures for handling ''For Official Use Only'' information, including Field Detachment sensitive information.

§ 290.4 Policy.

It is the policy of DCAA to:

(a) Promote public trust by making the maximum amount of information available to the public, upon request, pertaining to the operation and activities of the Agency.

(b) Allow a requester to obtain records from the Agency that are available through other public information services without invoking the FOIA.

(c) Make available, under the procedures established by DCAAP 5410.14,[3] those records that are requested by a member of the general public who cites the FOIA.

(d) Answer promptly all other requests for information and records under established procedures and practices.

[56 FR 49685, Oct. 1, 1991, as amended at 60 FR 35699, July 11, 1995]

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[1] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

[2] See footnote 1 to § 290.1.

[3] Copies may be obtained from the Defense Contract Audit Agency, Attn: CMO, 8725 John J. Kingman Road, Suite 2135, Fort Belvoir, VA 22060–6219.

§290.5 Definitions.

The terms used in this rule with the exception of the following are defined in DCAAP 5410.14.

(a) *Initial denial authorities (IDAs).* The regional directors, and the Chief, Information Resources Management Branch (CMR), have been delegated the authority by the Director, DCAA, to make initial determinations as to the releasability of DCAA records to the public, including Defense contractors. This authority may not be redelegated.

(b) *Appellate authority.* The Assistant Director, Resources, or his designee.

(c) *Electronic data.* Electronic data are those records and information which are created, stored, and retrievable by electronic means. This does not include computer software, which is the tool by which to create, store, or retrieve electronic data.

(d) *FOIA request.* A written request for DCAA records, made by any person, including a member of the public (U.S. or foreign citizen), an organization, or a business, but not including a Federal agency or a fugitive from the law that either explicitly or implicitly invokes the FOIA, DoD 5400.7–R, DCAAR 5410.8,[4] or regional instruction on the FOIA.

(e) *Administrative appeal.* A request by a member of the general public, made under the FOIA, asking the appellate authority to reverse an IDA decision to withhold all or part of a requested record or to deny a request for waiver or reduction of fees.

§290.6 Responsibilities.

(a) *Headquarters.* (1) The Assistant Director, Resources is responsible for:

(i) The overall Agency-wide administration of the DCAA FOIA Program through the Information Resources Management Branch (CMR), Information and Privacy Advisor, to ensure compliance with the policies and procedures that govern the program.

(ii) Acting as the designee for the Director, DCAA, serving as the sole appellate authority for appeals to decisions of respective IDAs.

(iii) Advising the Assistant Secretary of Defense (Public Affairs) (ASD(PA)) of cases of public interest, particularly those on appeal, when the issues raised are unusual or precedent setting, matters of disagreement among DoD components, are of concern to agencies outside the Department of Defense, or may otherwise require special attention or guidance.

(iv) Advising the ASD(PA) and the Executive Officer, DCAA, concurrent with the denial of a request or an appeal, when circumstances suggest a news media interest.

(v) Conferring with the General Counsel; the Assistant Director, Operations; and the Assistant Director, Policy and Plans, on the desirability of reconsidering a final decision to deny a record, if that decision becomes a matter of special concern because it involves either an issue of public concern or DoD-wide consequences.

(vi) Accomplishing program overview, in cooperation with the General Counsel, to ensure coordinated guidance to components, and to provide the means of assessing the overall conduct of the Agency's FOIA Program.

(vii) Responding to corrective action recommended by the Special Counsel of the Merit Systems Protection Board for arbitrary or capricious withholding of records by designated employees of the Agency.

(2) The Chief, Information Resources Management Branch, CMR, under the supervision and guidance of the Chief, Administrative Management Division (CM) is responsible for:

(i) Establishing, issuing, and updating policies for the DCAA FOIA Program; monitoring compliance with this rule; and providing policy guidance for the FOIA program.

(ii) Resolving conflicts that may arise regarding implementation of DCAA FOIA policy.

(iii) Designating an Agency FOIA Advisor, as a single point of contact, to coordinate on matters concerning Freedom of Information Act policy.

(3) The DCAA Information and Privacy Advisor, under the supervision and guidance of the Chief, Information Resources Management Branch is responsible for:

(i) Managing the DCAA FOIA Program in accordance with this rule, DCAAP 5410.14, applicable DCAA policies as well as DoD and Federal regulations.

[4] See footnote 3 to §290.4(c).

(ii) Providing guidelines for managing, administering, and implementing the DCAA FOIA program. This would include issuing the DCAA FOIA rule, developing and conducting training for those individuals who implement the FOIA, and publishing in the FEDERAL REGISTER any instructions necessary for the administration of the FOIA program. This also includes serving as the informational point of contact for regional FOIA coordinators.

(iii) Maintaining and publishing DCAA Pamphlet 5410.12,[5] ''Freedom of Information Act, A Manager's Guide to a Complex Law'', and DCAA Pamphlet 5410.14, ''DCAA Freedom of Information Act Processing Guide''.

(iv) Preparing the Annual Freedom of Information Report to Congress as required by DoD 5400.7–R.

(v) Establishing and maintaining a control system for assigning FOIA case numbers to FOIA requests received by Headquarters and regional offices.

(vi) Maintaining a record of FOIA requests received by Headquarters. This record is to contain the requester's identification, the date of the request, type of information requested, and type of information furnished. This record will be maintained and disposed of in accordance with DCAA records maintenance and disposition regulations and schedules.

(vii) Preparing and submitting the quarterly FOIA status report.

(viii) Making available for public inspection and copying in an appropriate facility or facilities, in accordance with rules published in the FEDERAL REGISTER the records specified in paragraph (a)(2) of 5 U.S.C. 552, unless such records are published and copies are offered for sale. Maintain and make available for public inspection and copying current indices of these records.

(4) Heads of Principal Staff Elements are responsible for:

(i) Reviewing all regulations or other policy and guidance issuances for which they are the proponent to ensure consistency with the provisions of this rule.

(ii) Ensuring that the provisions of DCAAP 5410.14 and this rule are followed in processing requests for records.

(iii) Forwarding to the DCAA Information and Privacy Advisor, any FOIA requests received directly from a member of the public so that the request may be administratively controlled and processed.

(iv) Ensuring the prompt review of all FOIA requests, and when required, coordinating those requests with other organizational elements.

(v) Providing recommendations regarding the releasability of DCAA records to members of the public, along with the responsive documents.

(vi) Providing the appropriate documents, along with a written justification for any denial, in whole or in part, of a request for records. Those portions to be excised should be bracketed in red pencil, and the specific exemption or exemptions cited which provide the basis for denying the requested records.

(vii) Ensuring that documents are marked FOUO at the time of their creation if information contained within is considered exempt from disclosure.

(5) The General Counsel is responsible for:

(i) Ensuring uniformity is maintained in the legal position, and the interpretation of the Freedom of Information Act, DoD 5400.7–R, and this rule.

(ii) Consulting with General Counsel, DoD on final denials that are inconsistent with decisions of other DoD components, involving issues not previously resolved, or raise new or significant legal issues of potential significance to other Government agencies.

(iii) Providing advice and assistance to the Assistant Director, Resources; Regional Directors; and the Regional FOIA Coordinators, through the DCAA Information and Privacy Advisor, as required, in the discharge of their responsibilities.

(iv) Coordinating Freedom of Information Act litigation with the Department of Justice.

(v) Coordinating on Headquarters denials of initial requests and administrative appeals.

(vi) Ensuring that documents are marked FOUO at the time of their creation if information contained within is considered exempt from disclosure.

[5] See footnote 3 to § 290.4(c).

(6) The Executive Officer shall serve as the coordinator for the release of information to the news media.

(b) Each Regional Director is responsible for the overall management of the Freedom of Information Act program within his respective region. Under his direction, the Regional Resources Manager is responsible for the management and staff supervision of the program and for designating a regional FOIA Coordinator.

(1) Regional Directors are responsible for:

(i) Implementing and administering the Freedom of Information Act program throughout the region.

(ii) Making the initial determination pertaining to the releasability of DCAA records to members of the public. This authority cannot be delegated.

(iii) Delegating signature authority for FOIA correspondence which is considered only to be routine in nature, e.g., referrals and the release of information.

(iv) Ensuring that documents are marked FOUO at the time of their creation if information contained within is considered exempt from disclosure.

(2) FOIA Coordinators are responsible for:

(i) Issuing regional instructions that are consistent with the policies and procedures defined in DCAAP 5410.14 and this rule.

(ii) Conducting training on the FOIA program to the FAOs.

(iii) Submitting a DCAA Form 5410–4, ''Freedom of Information Case Summary'', to the DCAA Information and Privacy Advisor at the completion of each FOIA case to facilitate the preparation of the annual FOIA report to Congress. All case summaries must be submitted no later than January 10th for cases completed during the previous calendar year.

(iv) Establishing and maintaining a control system to ensure proper accountability and processing of FOIA requests.

(v) Contacting the DCAA Information and Privacy Act Advisor for a FOIA case number upon receipt of a FOIA request.

(c) Managers, Field Audit Offices (FAOs) are responsible for:

(1) Overall management and administration of the FOIA program within organizations under their cognizance.

(2) Ensuring that the regional FOIA Coordinator promptly receives all incoming FOIA requests. Use of facsimile transmission is appropriate for all requests received directly by the FAO.

(3) Ensuring that documents are marked FOUO at the time of their creation if information contained within is considered exempt from disclosure.

§290.7 Procedures.

(a) Procedures for processing material in accordance with the FOIA are outlined in DCAAP 5410.14. General provisions are outlined in the following paragraphs.

(b) *Requests for audit reports.* Audit reports prepared by DCAA are the property of and are prepared for the use of DoD contracting officers. As a result, their release should be at the sole discretion of the DoD contracting activity. Requesters seeking audit reports should send their requests directly to the DoD contracting activity to avoid administrative delay. Typically, requests for copies of DCAA audit reports may be identified by requesting those that relate to a specific contract number (e.g. DLA600-89–P0222). DoD contract numbers may be easily matched to the cognizant DoD contracting activity by referring to 48 CFR, ''DoD FAR Supplement'' Appendix N.

NOTE: Although DCAA can make a release determination on audit reports produced for non-DoD agencies, administrative procedure routinely dictates coordination with that agency prior to responding to the request. Requesters seeking expeditious processing should forward their requests directly to the cognizant contracting officer for processing.

(c) *Requests for audit working papers.* Audit working papers, as described in appendix D, may be sought occasionally in conjunction with an audit report or as an independent demand. Normally, the release of such records is entirely dependent on the releasability of the related audit report. (Note: The procedures for determining the releasability of audit reports is provided in general in the aforementioned paragraph and in more detail in DCAAP 5410.14). Since the content of audit

working paper files can be quite diverse and often voluminous, FOIA Coordinators should work closely with the requester to ensure that the records produced are narrowly defined and entirely responsive to the requester's needs.

(d) *Public inspection and copying.* Section (a)(2) of the Freedom of Information Act requires agencies to make available for public inspection and copying, final opinions made in the adjudication of cases, statements of policy not yet published in the FEDERAL REGISTER, and administrative manuals and instructions. This requirement is satisfied by the quarterly publication of DCAAI 5025.2,[6] ''DCAA Index of Publications'' and DCAAI 5025.13,[7] ''Index of DCAA Memorandums for Regional Directors''.

(e) *Requests for the examination or copies of records.* (1) Members of the public may make written requests for copies of DCAA records or for permission to examine such records during normal business hours. Such requests must be in writing and either explicitly or implicitly invoke the Freedom of Information Act, or this rule. These requests should be submitted directly to the appropriate DCAA organizational element listed in appendix B of this rule. If the appropriate DCAA organizational element is either unknown or cannot be ascertained, and the record is likely to be in the possession of DCAA, the request may be submitted to Defense Contract Audit Agency, Attn: CMO, 8725 John J. Kingman Road, Suite 2135, Fort Belvoir, VA 22060–6219.

(2) When submitting requests, requesters should:

(i) Identify each record sought with sufficient detail to facilitate the location and easy access to the record requested. Information as to where the record originated, subject, date, number, or any other identifying particulars should be provided whenever possible. DCAA organizational elements receiving requests which do not reasonably describe the record requested will advise the requester accordingly. Generally, a record is not reasonably described unless the requester provides information permitting an organized, nonrandom search of DCAA files and/or information systems. In providing descriptions based on events, the requester must provide information which permits DCAA organizational elements to, at least, infer the specific record sought.

(ii) Identify all other Federal agencies subject to the provisions of the FOIA to which the request has been sent. This will reduce both processing and coordination time between agencies and redundant referrals.

(iii) Provide a statement of their willingness to pay assessable charges. The statement must include a specific monetary amount if the assessable fees are likely to exceed the fee waiver threshold of $15.00 or a specific justification for any waiver or reduction of fees sought based on public interest in release or disclosure. DCAA organizational elements will notify requesters of deficiencies in fee declarations, and provide them the opportunity to amend initial declarations. Determinations on the adequacy of requester fee declarations are not subject to appeal unless: The DCAA organizational element has denied a specific request for the assessment of fees under one of the established requester categories; or has denied a request for the waiver or reduction of fees in the public interest.

(3) When a DCAA organizational element has no records responsive to a request, the requester will be notified promptly that should he or she determine such request to be adverse in nature, he or she may exercise their appeal rights. In cases where the request has been misdirected and the DCAA organizational element is aware of the appropriate FOIA respondent, they shall refer the request to the appropriate DCAA organizational element or other Federal agency through FOIA channels, and notify the requester of the referral. The 10 working day period allowed for responding to requests will not begin until the DCAA organizational element having the responsive records receives a request complying with procedural requirements of this rule, including statements on the payment of fees.

[6] See footnote 3 to § 290.4(c).

[7] See footnote 3 to § 290.4(c).

(4) The provisions of the FOIA are intended for parties with private interests. Officials seeking documents or information on behalf of foreign governments, other Federal agencies, and state or local agencies should be encouraged to employ official channels. The release of records to individuals under the FOIA is a public release of information. DCAA organizational elements will consider FOIA requests from such officials as made in a private, rather than official capacity, and will make disclosure and fee determinations accordingly.

(f) *Referrals.* (1) Records originating in or based on information obtained from other Federal agencies subject to the FOIA may be referred to that agency. In processing FOIA requests for such records, DCAA elements, after coordinating with the originating agency, may refer the request, along with a copy of the responsive records in its possession, to that agency for direct response. The requester is to be notified of the referral. However, if for investigative or intelligence purposes, the outside agency desires anonymity, FOIA Coordinators may only respond directly to the requester after coordination with the agency.

(2) Referral of audit reports. Audit reports prepared by DCAA are the property of and are prepared for the use of the DoD contracting officers. Their release is at the discretion of the DoD contracting activity. Therefore any FOIA request for audit reports prepared for DoD components should be referred to the cognizant DoD contracting activity and the requester notified of the referral. To avoid the delay associated with the referral process, requesters should be advised to send requests for audit reports directly to the cognizant DoD contracting activity. Requests for audit reports prepared for non-DoD agencies should be treated as requests for DCAA records.

(3) Referral of work papers. When a requester seeks workpapers, the cognizant contracting officer must furnish a notice of disposition to the appropriate activity pertaining to the releasability of the audit report. The notice of disposition will then be used to determine releasability of the workpapers. Details concerning the appropriate processing procedures may be found in DCAAP 5410.14.

(4) All other requests should be directed to the appropriate regional director, if known. When the location of the record is not known, the request should be directed to the DCAA Information and Privacy Advisor.

(5) Time limits. DCAA organizational elements are to respond promptly to requesters complying with the procedural requirements outlined in this rule. When a significant number of requests are being processed, e.g. 10 or more, the requests shall be completed in order of receipt. However, this does not preclude completing action on a request which can be easily answered, regardless of its ranking within the order of receipt. Action may be expedited on a request regardless of its ranking within the order of receipt upon a showing of exceptional need or urgency. Exceptional need or urgency is determined at the discretion of the FOIA Coordinator.

(i) Upon receipt of a properly submitted FOIA request, DCAA organizational elements should contact the DCAA Information and Privacy Advisor for a FOIA case number. IDAs should:

(A) Locate and assemble responsive records.

(B) Determine releasability under the provisions of this rule.

(C) Determine the appropriate fees to be charged and

(D) Advise the requester accordingly. Initial determinations on either the release or denial of records, and notice to requesters, must be provided within 10 working days following receipt of the request by the cognizant DCAA organizational element.

(ii) In certain cases, IDAs may need to exercise an extension to the normal 10 working day period cited above. IDAs are to notify the requester, within the initial 10 working day period, of the extension, the circumstances necessitating it, and the anticipated date of a determination. Approved extensions are not to exceed 10 working days, and all extensions should be indicated on DCAA Form 5410–4, section 6. Circumstances where such extensions may be approved include:

(A) The record(s) sought are geographically located at places other than the DCAA organizational element processing the request.

(B) The request requires the collection and review of a substantial number of records.

(C) The disclosure determination requires consultation with another DCAA organizational element or other Federal agency with a substantial interest.

(iii) As an alternative to the previously mentioned, DCAA organizational elements may seek informal agreements with requesters for extensions in unusual circumstances when time limits become an issue in the response to the request.

(iv) Misdirected requests should be referred within 10 working days to the proper Federal agency or DCAA organizational elment through FOIA channels, and the requester notified of the referral. The 10 working day period allowed for responding to requests will not begin until the DCAA organizational element having the responsive records receives the request.

(6) Initial disclosure determinations. (i) Initial determinations to make records available may only be made by those IDAs designated in this rule.

NOTE: Requests for audit reports should be directed to the cognizant contracting officer for release determination. (See §290.7(b)).

When a decision is made to release records in response to a FOIA request, DCAA organizational elements will promptly make the records available to the requester. When the request is for the examination of releasable records, DCAA organizational elements will advise the requester when and where he/she may appear. Examinations will be held during normal business hours. If a record is not provided in response to a FOIA request, the IDA will advise the requester, in writing, of the rationale for not providing the record.

(ii) IDAs should consult the Executive Officer, prior to releasing records on matters considered newsworthy or when releasing records to media representatives. Copies of all media requests should be submitted to the Executive Officer.

(iii) The following reasons, other than the statutory exemptions cited in the FOIA, are provided for not releasing a record in response to a FOIA request.

(A) The request is transferred to another DoD component, or to another Federal agency.

(B) The Agency determines through knowledge of its files and reasonable search efforts that it neither controls nor otherwise possesses the requested record.

(C) A record has not been described with sufficient particularity to enable the Agency to locate it by conducting a reasonable search.

(D) The requester has failed unreasonably to comply with procedural requirements, including payment of fees, imposed by this rule.

(E) The request is withdrawn by the requester.

(F) The information requested is not a record within the meaning of the FOIA and this rule.

(7) Denials. (i) A record in the possession and control of DCAA may be withheld *only* when the record falls within one or more of the nine categories of records exempt from mandatory disclosure under the FOIA, and the use of discretionary authority to release the record is determined to be unwarranted. (Note: Since audit reports are prepared for the use of DoD contracting officers, their release is at the discretion of the DoD contracting activity. To facilitate an expeditious response, requesters should send their requests directly to the DoD contracting activity. (See §290.7(b)). The specific exemptions are detailed in DCAAP 5410.14.

(ii) Although exempt portions of records may be denied, nonexempt portions must be released to the requester when it can reasonably be assumed that the excised information could not be reconstructed. When a record is denied in whole, based on distortion or reconstruction potential, the IDA will prepare a response advising the requester of the determination, and the response will specifically state that it is not possible to reasonably segregate meaningful portions for release.

(iii) When a request for a record is denied in whole or in part, the IDA will

inform the requester in writing of the specific exemption(s) on which the denial is based and explain the determination in sufficient detail to permit the requester to make a decision concerning appeal. The determination will also inform the requester of his/her appeal rights. All appeals should be made within 60 calendar days from the date of the initial denial, contain the reasons for the requester's disagreement with the determination, and be addressed to the Assistant Director, Resources, Defense Contract Audit Agency, 8725 John J. Kingman Road, Suite 2135, Fort Belvoir, VA 22060–6219.

(iv) Records or portions of records which have been previously released become part of the public domain, and cannot be denied thereafter.

(8) Administrative Appeals of Denials. (i) If the IDA declines to provide a record because he/she considers it exempt, that decision may be appealed by the requester, in writing, to the Assistant Director, Resources, DCAA.

NOTE: Normally, IDAs would not issue denials for requests for audit reports. The denial authority for such records generally rests with the cognizant DoD contracting activity. (See § 290.7(b)). The appeal should be accompanied by a copy of the letter denying the initial request. Such appeals should contain the basis for disagreement with the initial refusal. Appeal procedures also apply to the disapproval of a request for waiver or reduction of fees. A ''no record'' finding may be appealed which allows the requester to challenge the adequacy of the Agency's search. Records which are denied should be retained during the time permitted for appeal.

(ii) IDAs shall advise the requester that an appeal should be filed so that it reaches the designated appellate authority no later than 60 calendar days after the date of the initial denial letter. At the conclusion of this period, except for good cause shown as to why the appeal was not timely, the case may be considered closed; however, such closure does not preclude the requester from filing litigation for denial of his appeal. If the requester has been provided a series of determinations for a single request, the time for appeal will begin on the date of the last determination of the series. Records which are denied shall be retained for a period of six years to meet the statute of limitations of claims requirement.

(iii) Final determinations normally shall be made within 20 working days of receipt of an appropriately submitted appeal.

(9) Delay in responding to an appeal. (i) When additional time is required to respond to the appeal, the final determination may be delayed for the number of working days (not to exceed 10 days) that were not utilized as additional time for responding to the initial request. Requesters shall be advised that, if the delay exceeds the statutory extension provision or is for reasons other than the unusual circumstances previously described, they may consider their administrative remedies exhausted. They may, however, without prejudicing their right of judicial remedy, await a substantive response. DCAA shall continue to process the case expeditiously, whether or not the requester seeks a court order for release of the records, but a copy of any response provided subsequent to filing a complaint shall be forwarded to the Department of Justice through the DCAA General Counsel.

(ii) When the Assistant Director, Resources, DCAA, makes a determination to release all or a portion of the records on appeal, the records shall be made available promptly to the requester after compliance with procedural requirements. The final denial of a request will be made in writing, explain the exemption(s) invoked, advise that the material being denied does not contain meaningful portions that are reasonably segregable, and also advise the requester of the right of judicial review.

(10) Judicial action. A requester will be deemed to have exhausted his administrative remedies after he has been denied the requested record by the Assistant Director, Resources, or when the Agency fails to respond to his request within the time limits prescribed by the FOIA and this rule. The requester may then seek an order from a U.S. District Court in the district in which he resides or has his principal place of business; the district in which the record is situated; or in the U.S. District Court for the District of Columbia, enjoining the Agency from

withholding the record and ordering its production.

[56 FR 49685, Oct. 1, 1991, as amended at 56 FR 56932, Nov. 7, 1991; 57 FR 15254, Apr. 27, 1992; 60 FR 35699, July 11, 1995]

§ 290.8 Fees.

(a) Fees shall be determined in accordance with the DoD fee schedule, which is detailed in DCAAP 5410.14. Fees reflect direct costs for search, review (in the case of commercial requesters), and duplication of documents, collection of which is permitted by the FOIA. Fees are subject to limitations on the nature of assessable fees based on the category of the requester; statutory and automatic waivers based on the category determination and cost of routine collection; and either the waiver or reduction of fees when disclosure serves the public interest.

(b) Fees will not be charged when direct costs for a FOIA request are $15.00 or less, the automatic fee waiver threshold, regardless of category.

(c) *Fee assessment.* In order to be as responsive as possible to FOIA requests, DCAA organizational elements should adhere to the following when assessing fees:

(1) Evaluate each request to determine the requester category and adequacy of the fee declaration. An adequate fee declaration requires a willingness by the requester to pay fees in an amount equal to, or greater than, the assessable charges for the request.

(2) Provide requesters an opportunity to amend inadequate fee declarations and provide estimates of prospective charges when required. When a requester fails to provide an adequate fee declaration within 30 days after notification of a deficiency, the request for information will be considered withdrawn.

(3) A requester's claims for assessment of fees under a specific category will be carefully considered. The IDA may require a requester to substantiate a claim for assessment under a claimed category. In the absence of requester claims, the IDA will determine the category into which a requester falls, basing its determination on all available information.

(4) When a DCAA organizational element disagrees with a requester claim for fee assessment under a specific category, the IDA will provide the requester with written determination indicating the following:

(i) The requester should furnish additional justification to warrant the category claimed.

(ii) A search for responsive records will not be initiated until agreement has been attained relative to the category of the requester.

(iii) If further category information has not been received within a reasonable period of time, the component will render a final category determination; and

(iv) The determination may be appealed to the Assistant Director, Resources, within 60 calendar days of the date of the determination.

(d) When a DCAA organizational element estimates or determines that allowable charges that a requester may be required to pay are likely to exceed $250.00, they shall notify the requester of the likely cost and obtain satisfactory assurance of full payment. This fee declaration generally applies when the requester has a history of prompt payments, however, an advance payment may be required of an amount up to the full estimated charges in the case of requesters with no history of payment.

(e) Where a requester has previously failed to pay a fee charged within 30 calendar days from the date of billing, DCAA organizational elements may require the requester to pay the full amount due, plus any applicable interest or demonstrate satisfaction of the debt, and to make an advance payment of the full amount of estimated fees, before processing begins on a new or pending request.

(f) After all work is completed on a request, and the documents are ready for release, DCAA organizational elements may request payment before forwarding the documents if there is no payment history on the requester, or if the requester has previously failed to pay a fee in a timely fashion (i.e., within 30 calendar days from the date of billing). Documents may not be held for release pending payment from requesters with a history of prompt payment.

(g) The administrative time limits for responding to a request will begin only after the DCAA organizational element has received an adequate declaration from the requester stating a willingness to pay fees, and satisfaction that all outstanding debts have been paid.

(h) DCAA organizational elements can bill requesters for services provided in responding to a request. Payment of fees may be made by personal check, bank draft drawn on a U.S. bank, or by U.S. Postal money order. All payments of this type are to be made payable to the U.S. Treasurer.

(i) *Aggregating requests.* Occasionally, a requester may file multiple requests at the same time, each seeking portions of a document or documents, solely to avoid payments of fees. When a DCAA organizational element reasonably believes that a requester is attempting to do so, the DCAA organizational element may aggregate such requests and charge accordingly. One element to be considered would be the time period in which the requests have occurred. In no case may DCAA organizational elements aggregate multiple requests on unrelated subjects from one requester.

(j) *Fee waivers.* (1) The determination to waive fees is at the discretion of IDAs designated in this rule. When direct costs for a FOIA request total the automatic fee waiver threshold, or is less, fees shall be waived automatically for all requesters, regardless of category.

(2) Documents will be furnished without charge, or at a charge reduced below fees assessed to the categories of requesters, when the IDA determines that a waiver or reduction of fees is in the public interest because furnishing the information is likely to contribute significantly to public understanding of the operations of DCAA, and is not primarily in the commercial interest of the requester. DCAA organizational elements should refer to DCAAP 5410.14 for factors to consider in applying fee waivers due to public interest. Each fee decision must be considered on a case-by-case basis and upon the merits of the information provided in each request. When the question of whether to charge or waive the fee cannot be clearly resolved, DCAA organizational elements should rule in favor of the requester.

APPENDIX A TO PART 290—DCAA'S ORGANIZATION AND MISSION

(a) Purpose. This section implements 5 U.S.C. 552 by describing the central and field organizations of DCAA.

(b) Origin and Authority. DCAA was established by the Secretary of Defense under Department of Defense (DoD) Directive 5105.36[1] (32 CFR part 357) and began operating on July 1, 1965. Its Director reports to the Comptroller of the Department of Defense.

(c) Objective. Assist in achieving the objective of prudent contracting by providing DoD officials responsible for procurement and contract administration with financial information and advice on proposed or existing contracts and contractors, as appropriate.

(d) Mission. (1) DCAA performs all necessary contract audits for the Department of Defense, and provides accounting and financial advisory service regarding contracts to all DoD components responsible for procurement and contract administration. These services are provided in connection with negotiation, administration, and settlement of contracts and subcontracts. It also furnishes advisory contract audit service to a number of other government agencies under agreements between the Department of Defense and such agencies.

(2) DCAA audits contractors' and subcontractors' accounts, records, documents, and other evidence; systems of internal control, accounting, costing, estimating, and general business practices and procedures to give advice and recommendations to procurement and contract administration personnel on: acceptability of costs incurred under cost, redetermination, incentive, and similar type contracts; acceptability of estimates of costs to be incurred as represented by contractors incident to the award, negotiation, and modification of contracts; and adequacy of contractors' accounting and financial management systems and estimating procedures. DCAA also performs post-award audits of contracts for compliance with the provisions of Public Law 87–653 (Truth in Negotiations), and reviews contractor compliance with the Cost Accounting Standards.

(3) DCAA assists responsible procurement or contract administration activities in their surveys of the purchasing-procurement systems of major contractors; and cooperates with other DoD components on reviews, audits, analyses, or inquiries involving contractors' financial positions or financial and

[1] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

accounting policies, procedures, or practices. DCAA also maintains liaison auditors at major procuring and contract administration offices and provides assistance in the development of procurement policies and regulations.

(e) Composition. (1) DCAA consists of six major organizational elements: A Headquarters and six regions. The five regional offices manage over 400 field audit offices (FAOs) and suboffices located throughout the United States and overseas. An FAO is identified as either a branch office or a resident office. Suboffices are established by regional directors as extensions of FAOs when required to furnish contract audit service more economically. A suboffice is dependent on its parent FAO for release of audit reports and other administrative support.

(2) The Headquarters located at Fort Belvoir, Virginia consists of:

(i) The Director who exercises worldwide direction and control of DCAA.

(ii) The Deputy Director who serves as principal assistant to the Director and acts for the Director in his absence.

(iii) The Assistant Director, Operations, authorized to act for the Director and Deputy Director in their absence, is responsible for staff functions related to audit management, and technical audit programs, supervises the Technical Services Center in Memphis, Tennessee and the procurement/contract administration liaison offices.

(iv) The Assistant Director, Policy and Plans, is responsible for audit policy and procedures and related liaison functions, and supervises the Defense Contract Audit Institute in Memphis, Tennessee.

(v) The Assistant Director, Resources, is responsible for the programs and procedures related to the management and administration of resources required to support the audit mission.

(vi) The General Counsel provides legal and legislative advice to the Director and all members of the Agency staff.

(vii) The Executive Officer performs a variety of special projects and assignments for the Director and Deputy Director.

(viii) The Special Assistant for Quality reviews the Agency's compliance with established audit quality control standards, policies, and procedures and other internal control requirements.

(3) Regional offices are located in Smyrna, GA; Lexington, MA; Irving, TX; La Mirada, CA; and Philadelphia, PA. Regional directors direct and administer the DCAA audit mission, and manage personnel and other resources assigned to the regions; manage the contract audit program; and direct the operation of FAOs within their region. Principal elements of regional offices are the Regional Director, Deputy Regional Director, Regional Audit Managers, Regional Special Programs Manager, and Regional Resources Manager.

(4) A resident office is established at a contractor's location when the amount of audit workload justifies the assignment of a permanent staff of auditors and support staff. A resident office may also perform procurement or contract administration liaison functions.

(5) A branch office is established at a strategically situated location within the region, responsible for performing all contract audit service within the assigned geographical area, exclusive of contract audit service performed by a resident or liaison office within the area. A branch office may also perform procurement or contract administration liaison functions.

(6) If requested, a DCAA liaison office is established at a DoD procurement or contract administration office when required on a full-time basis to provide effective communication and coordination among procurement, contract administration, and contract audit elements. Liaison offices assist in effective utilization of contract audit services.

[56 FR 49685, Oct. 1, 1991, as amended at 60 FR 35699, July 11, 1995]

APPENDIX B TO PART 290—DCAA'S FOIA POINTS OF CONTACT

(Regional Offices Listed Alphabetically by State and City)

CALIFORNIA

DCAA WESTERN REGIONAL OFFICE, Attn: RCI–4 (FOIA Coordinator), 16700 Valley View Avenue, suite 300, La Mirada, CA 90638–5830, (714) 228–7036

Geographical Area of Responsibility: Alaska, California, Hawaii, Idaho, Montana, Nevada, Oregon, and Washington.

Pacific Ocean and Asian Islands.

Asia except the Middle East.

Australia.

GEORGIA

DCAA EASTERN REGIONAL OFFICE, Attn: RCI–1 (FOIA Coordinator), 2400 Lake Park Drive, suite 300, Smyrna, GA 30080–7644, (770) 319–4510

Geographical Area of Responsibility: Alabama, Florida, Georgia, Indiana, Kentucky, Louisiana, Mississippi, North Carolina, Ohio, Tennessee, Virginia, West Virginia, Central America, South America, Bermuda, Puerto Rico and nearby Islands, and Mexico.

MASSACHUSETTS

DCAA NORTHEASTERN REGIONAL OFFICE, Attn: RCI–2 (FOIA Coordinator), 83 Hartwell Avenue, Lexington, MA 02173–3163, (617) 377–9756

Geographical Area of Responsibility: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont, Michigan (excluding the Upper Peninsula), all New York Counties except Steuben, Schuyler, Cheming, Tompkins, Tioga, Broome, Chenango, Otsego, Delaware, and Sullivan.

Africa and Adjacent Islands.

Europe and Adjacent Islands.

Middle East and Adjacent Islands.

Greenland.

Iceland.

PENNSYLVANIA

DCAA MID-ATLANTIC REGIONAL OFFICE, Attn: RCI–6 (FOIA Coordinator), 615 Chestnut Street, suite 1000, Philadelphia, PA 19106–4498, (215) 597–5403

Geographical Area of Responsibility: Delaware, District of Columbia, Maryland, and New Jersey.

New York Counties of Steuben, Schuyler, Chemung, Tompkins, Tioga, Broome, Chenango, Otsego, Delaware, and Sullivan. The IBM Suboffice located at Tarrytown, New York.

Pennsylvania Counties East of and including Tioga, Lycoming, Union, Mifflin, Juniata, and Franklin.

Virginia Counties East and North of and including Stafford, Culpeper, Rappahannock, Page, Shenandoah, and Frederick.

TEXAS

DCAA CENTRAL REGIONAL OFFICE, Attn: RCI–3 (FOIA Coordinator), 106 Decker Court, suite 300, Irving, TX 75062–2795, (214) 650–4893

Geographical Area of Responsibility: Arizona, Arkansas, Colorado, Illinois, Iowa, Kansas, Minnesota, Missouri, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, Utah, Wisconsin, Wyoming and Louisiana Parishes North of and including Vernon, Rapides, and Avoyelles.

VIRGINIA

DCAA HEADQUARTERS, Attn: CMR (Information and Privacy Advisor), 8725 John J. Kingman Road, Suite 2135, Fort Belvoir, VA 22060–6219, (703) 767–1244

(a) Miscellaneous.

(1) The following publications may be obtained from the Defense Contract Audit Agency, ATTN: CMO, 8725 John J. Kingman Road, Suite 2135, Fort Belvoir, VA 22060–6219, (703) 767–1244. Since these materials are publicly available, requesters need not invoke the Freedom of Information Act to obtain copies of the publications selected.

(i) DCAAI 5025.2, Index of Numbered Publications, lists Agency publications.

(ii) DCAAP 1421.3, Catalog of Training Courses, lists training courses available from the Defense Contract Audit Institute, Specific training courses are also available.

(2) Although the following publication is publicly available, the memorandums listed may or may not be subject to withholding under the Freedom of Information Act. Those memorandums marked with an ''(R)'', denoting releasable (e.g. 94–PFD–063R)), are available from the above address. However, Memorandums for Regional Directors (MRDs) marked ''(NR)'', meaning not releasable, cannot be obtained from this source. Requests for (NR) MRDs should be sought under the auspices of the Freedom of Information Act from the Defense Contract Audit Agency, ATTN: CMR, Cameron Station, Alexandria, VA 22304–6178.

(i) DCAAI 5025.13, Index of DCAA Memorandums for Regional Directors (MRDs), lists numbered memorandums pertaining to Agency policy, procedure, and informational topics.

(3) Requesters should plainly display the words ''Freedom of Information Act Request'' on the lower left hand corner of the envelope to ensure prompt handling.

(b) [Reserved]

[56 FR 49685, Oct. 1, 1991, as amended at 57 FR 30904, July 13, 1992; 58 FR 63084, Nov. 30, 1993; 60 FR 18006, Apr. 10, 1995; 60 FR 35699, July 11, 1995; 61 FR 4885, Feb. 9, 1996; 61 FR 5510, Feb. 13, 1996]

APPENDIX C TO PART 290—FOR OFFICIAL USE ONLY

(a) General. Information that has not been given a security classification pursuant to the criteria of an Executive Order, but which may be withheld from the public for one or more of the reasons cited in FOIA Exemptions 2 through 9 shall be considered as being for official use only. No other material shall be considered or marked ''For Official Use Only'' (FOUO). FOUO is not authorized as an anemic form of classification to protect national security interests.

(b) Prior FOUO Application. The prior application of FOUO markings is not a conclusive basis for withholding a record that is requested under the FOIA. When such a record is requested, the information in it shall be evaluated to determine whether, under current circumstances, FOIA exemptions apply in withholding the record or portions of it. If any exemption or exemptions apply or applies, it may nonetheless be released when it is determined that no governmental interest will be jeopardized by its release. (1) Historical Papers. Records such as notes, working papers, and drafts retained as historical evidence of Agency actions enjoy no special status apart from the exemptions under the FOIA.

(2) Time to Mark Records. The marking of records at the time of their creation provides

notice of FOUO content and facilitates review when a record is requested under the FOIA. Records requested under the FOIA that do not bear such markings, shall not be assumed to be releasable without examination for the presence of information that requires continued protection and qualifies as exempt from public release.

(3) Distribution Statement. Information in a technical document that requires a distribution statement pursuant to DoD Directive 5230.24[1] shall bear that statement and may be marked FOUO, as appropriate.

(c) Markings. (1) Location of Markings. (i) An unclassified document containing FOUO information shall be marked ''For Official Use Only'' at the bottom on the outside of the front cover (if any), on each page containing FOUO information, and on the outside of the back cover (if any).

(ii) Within a classified document, an individual page that contains both FOUO and classified information shall be marked at the top and bottom with the highest security classification of information appearing on the page.

(iii) Within a classified document, an individual page that contains FOUO information but no classified information shall be marked ''For Official Use Only'' at the bottom of the page.

(iv) Other records, such as, photographs, films, tapes, or slides, shall be marked ''For Official Use only'' or ''FOUO'' in a manner that ensures that a recipient or viewer is aware of the status of the information therein.

(v) FOUO material transmitted outside the Department of Defense requires application of an expanded marking to explain the significance of the FOUO marking. This may be accomplished by typing or stamping the following statement on the record prior to transfer:

This document contains information
EXEMPT FROM MANDATORY DISCLOSURE
Under the FOIA. Exemptions . . . . . apply.

(2) Instructions for marking DCAA audit reports are contained in Chapter 10 of the Contract Audit Manual (CAM)[2].

(3) DCAA Label 4, FOUO Cover Sheet. This form may be used to further identify FOUO information.

(d) Dissemination and Transmission. (1) Release and Transmission Procedures. Until FOUO status is terminated, the release and transmission instructions that follow apply:

(i) FOUO information may be disseminated within the Agency and between officials of DoD Components and DoD contractors, consultants, and grantees to conduct official business for the Department of Defense. Recipients shall be made aware of the status of such information, and transmission shall be by means that preclude unauthorized public disclosure. Transmittal documents shall call attention to the presence of FOUO attachments.

(ii) Agency and DoD holders of FOUO information are authorized to convey such information to officials in other departments and agencies of the executive and judicial branches to fulfill a government function, except to the extent prohibited by the Privacy Act. Records thus transmitted shall be marked ''For Official Use Only'', and the recipient shall be advised that the information has been exempted from public disclosure, pursuant to the FOIA, and that special handling instructions do or do not apply.

(iii) Release of FOUO information to Members of Congress is governed by DoD Directive 5400.4[3] Release to the GAO is governed by DoD Directive 7650.1[4] Records released to the Congress or GAO should be reviewed to determine whether the information warrants FOUO status. If not, prior FOUO markings shall be removed or effaced. If withholding criteria are met, the records shall be marked FOUO and the recipient provided an explanation for such exemption and marking. Alternatively, the recipient may be requested, without marking the record, to protect against its public disclosure for reasons that are explained.

(iv) Records or documents containing FOUO information will be transported between offices in such a manner as to preclude disclosure of the contents. First-class mail and ordinary parcel post may be used for transmission of FOUO information. The double envelope system required for classified material may be used when it is considered desirable to exclude examination by mail handling personnel. In such cases, the inner envelope should be addressed to the intended recipient by title or name and contain a statement that the envelope is to be opened by the addressee only.

(v) FOUO material prepared on personal computers or other data processing equipment should be password protected at origination.

(vi) Requests for Field Detachment sensitive information must be coordinated with the Director, Field Detachment, through Headquarters, DCAA.

[1] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

[2] Copies may be obtained from the Defense Contract Audit Agency, Attn: CMO, 8725 John J. Kingman Road, Suite 2135, Fort Belvoir, VA 22060–6219.

[3] See footnote 1 to paragraph (b)(3).

[4] See footnote 1 to paragraph (b)(3).

(2) Transporting FOUO Information. Records containing FOUO information shall be transported in a manner that precludes disclosure of the contents. When not commingled with classified information, FOUO information may be sent via first-class mail or parcel post. Bulky shipments, such as distributions of FOUO Directives or testing materials, that otherwise qualify under postal regulations may be sent by fourth-class mail.

(3) Electrically Transmitted Messages. Each part of electrically transmitted messages containing FOUO information shall be marked appropriately. Unclassified messages containing FOUO information shall contain the abbreviation ''FOUO'' before the beginning of the text. Such messages shall be transmitted in accordance with communications security procedures in Allied Communication Publication 121 (U.S. Supp 1) for FOUO information.

(e) Safeguarding FOUO Information. (1) During Duty Hours. During normal working hours, records determined to be FOUO shall be placed in an out-of-sight location if the work area is accessible to nongovernmental personnel.

(2) During Nonduty Hours. At the close of business, FOUO records shall be stored so as to preclude unauthorized access. Filing such material with other unclassified records in unlocked files or desks, etc., is adequate when normal U.S. Government or Government-contractor internal building security is provided during nonduty hours. When such internal security control is not exercised, locked buildings or rooms normally provide adequate after hours protection. If such protection is not considered adequate, FOUO material shall be stored in locked receptacles such as file cabinets, desks, or bookcases. FOUO records that are subject to the provisions of Public Law 86–36 shall meet the safeguards outlined for that group of records.

(3) Field audit offices located in contractor owned facilities will ensure that material marked FOUO is stored in a locked receptacle to which the contractor does not have access during nonduty hours.

(f) Termination, Disposal and Unauthorized Disclosures. (1) Termination. The originator or other competent authority, e.g., initial denial and appellate authorities, shall terminate ''For Official Use Only'' markings or status when circumstances indicate that the information no longer requires protection from public disclosure. When FOUO status is terminated, all known holders shall be notified, to the extent practical. Upon notification, holders shall efface or remove the ''For Official Use Only'' markings, but records in file or storage need not be retrieved solely for that purpose.

(2) Disposal. (i) Nonrecord copies of FOUO materials may be destroyed by tearing each copy into pieces to preclude reconstructing, and placing them in regular trash containers. When local circumstances or experience indicates that this destruction method is not sufficiently protective of FOUO information, local authorities may direct other methods but must give due consideration to the additional expense balanced against the degree of sensitivity of the type of FOUO information contained in the records.

(ii) Record copies of FOUO documents shall be disposed of in accordance with the disposal standards established under 44 U.S.C. chapter 33, as implemented by DCAAM 5015.1[5], ''Files Maintenance and Disposition Manual''.

(3) Unauthorized Disclosure. The unauthorized disclosure of FOUO records does not constitute an unauthorized disclosure of DoD information classified for security purposes. Appropriate administrative action shall be taken, however, to fix responsibility for unauthorized disclosure whenever feasible, and appropriate disciplinary action shall be taken against those responsible. Unauthorized disclosure of FOUO information that is protected by the Privacy Act may also result in civil and criminal sanctions against responsible persons. The DCAA organizational element or DoD component that originated the FOUO information shall be informed of its unauthorized disclosure.

(g) Protection of Field Detachment Sensitive Information. (1) Definition. All communication, which qualifies for withholding under Exemptions (2) through (9), between regular DCAA organizational elements and Field Detachment offices is sensitive information and, as a minimum, shall be marked: FOR OFFICIAL USE ONLY (FOUO).

(2) Markings. (i) Communications, which qualify for withholding under Exemptions (2) through (9) initiated by a Field Detachment office, will bear the following marking:

FOR OFFICIAL USE ONLY

Access limited to addressee and his/her designated representative(s) with a need-to-know.

This document may not be reproduced or further disseminated without the approval of the Director, Field Detachment, DCAA.

(ii) All correspondence specifically exempt under Exemptions (2) through (9), including assist audit requests, generated by a regular (non-FD) DCAA office, which is addressed to the Field Detachment, either Headquarters or a field audit office, will be marked FOR OFFICIAL USE ONLY and will be limited within the FAO to one protected office copy.

(3) Storage. (i) All Field Detachment sensitive information in the possession of a regular DCAA office will be stored in a classified container, if available. If a classified

[5] See footnote 2 to paragraph (c)(2).

container is not available, the sensitive information shall be stored in a locked container controlled by the FAO manager.

(ii) Permanent files currently maintained by regular DCAA offices, which are available to all FAO personnel, should not contain any detailed information on Field Detachment audit interest. That information shall be protected as sensitive information and stored in accordance with paragraph (g)(3)(i) of this appendix.

(4) Dissemination. (i) Access to Field Detachment sensitive information by other DCAA audit and administrative personnel within the office shall be on a strict need-to-know basis as determined by the FAO manager.

(ii) Requests by non-DCAA personnel for access to Field Detachment sensitive information must be coordinated with the Director, Field Detachment, through Headquarters, DCAA.

[56 FR 49685, Oct. 1, 1991, as amended at 60 FR 18006, Apr. 10, 1995; 60 FR 35699, July 11, 1995]

APPENDIX D TO PART 290—AUDIT WORKING PAPERS

(a) *Definition*

(1) Audit working papers contain information from accounting and statistical records, personal observations, the results of interviews and inquiries, and other available sources. Audit working papers may also include contract briefs, copies of correspondence, excerpts from corporate minutes, organization charts, copies of written policies and procedures, and other substantiating documentation. The extent and arrangement of working paper files will depend to a large measure on the nature of the audit assignment.

(2) Working papers are generally classified in two categories: the permanent file and the current file.

(i) Permanent file.

(A) The permanent file on each contractor is a central repository of information gathered during the course of an audit which has continuing value and use to subsequent audits expected to be performed at the same contractor. Permanent files are useful in preparing the audit program and in determining the appropriate scope of subsequent audits. They also provide ready means for auditors to become familiar with the contractor's operations and any existing audit problems or contractor system weaknesses. While summary information on the contractor's organization, financial structure and policies may sometimes be included in permanent files for smaller contractors, such information on large contractors with continuing audit activity is generally maintained in the field audit office at the central reference library.

(B) Items which would logically be included in the permanent file as having continuing value in future audit assignments include:

(*1*) Internal control questionnaire.

(*2*) Internal control review update control log.

(*3*) Vulnerability assessment.

(*4*) MAARs control log.

(*5*) Disclosure statement and revisions in accordance with CAS rules and regulations, and

(*6*) CAS compliance control schedules and a noncompliance summary schedule.

(ii) Current File. The current file usually consists of working papers which have limited use on future assignments. DCAA Forms 7640–19 a, b, and c are the Agencywide Working Paper Indexes and provide a concise summary of items generally found in audit working papers.

(b) *Explanation.*

(1) The preparation of working papers assists the auditor in accomplishing the objectives of an audit assignment. Working papers serve as the basis for the conclusions in the audit report; provide a record of the work done for use as substantiating data in negotiations, appeals, and litigation; provide guidance for subsequent examinations; and serve as a basis for the review and evaluation of the work performed.

(2) Audit working papers are generally prepared at the time audit work is performed and are maintained on a current basis. Working papers normally reflect the progress of the audit and are designed to ensure continuity of the audit effort.

(3) Working papers should be relevant to the audit assignment and not include extraneous pages. Superseded working papers should be clearly marked as such and retained as part of the working paper package.

(4) The nature of audit working papers requires that proper control and adequate safeguards be maintained at all times. Working papers frequently reflect information considered confidential by the contractor and are marked ''For Official Use Only'' or are classified for government security purposes.

[56 FR 56932, Nov. 7, 1991]

PART 291—DEFENSE NUCLEAR AGENCY (DNA) FREEDOM OF INFORMATION ACT PROGRAM

Sec.

291.1 Purpose.
291.2 Applicability.
291.3 Definitions.
291.4 Policy.
291.5 Responsibilities.
291.6 Procedures.
291.7 Administrative instruction.
291.8 Exemptions.

291.9 For official use only (FOUO).

APPENDIX A TO PART 291—FREEDOM OF INFORMATION ACT REQUEST (DNA FORM 524)

AUTHORITY: 5 U.S.C. 552.

SOURCE: 56 FR 9842, Mar. 8, 1991, unless otherwise noted.

§291.1 Purpose.

This part establishes policies and procedures for the DNA FOIA program.

§291.2 Applicability.

This part applies to Headquarters, Defense Nuclear Agency (HQ, DNA), Field Command, Defense Nuclear Agency (FCDNA), and the Armed Forces Radiobiology Research Institute (AFRRI).

§291.3 Definitions.

(a) *FOIA Request.* A written request for DNA records made by any person, including a member of the public (U.S. or foreign citizen), an organization, or a business, but not including a Federal agency or a fugitive from the law that either explicitly or implicitly invokes the FOIA (5 U.S.C. 552), 32 CFR part 285, 286, or this part.

(b) *Agency record.* (1) The products of data compilation, such as all books, papers, maps, and photographs, machine readable materials or other documentary materials, regardless of physical form or characteristics, made or received by an agency of the United States Government under Federal law in connection with the transaction of public business and in DNA's possession and control at the time the FOIA request is made.

(2) The following are not included within the definition of the word *record:*

(i) Objects or articles, such as structures, furniture, vehicles and equipment, whatever their historical value, or value as evidence.

(ii) Administrative tools by which records are created, stored, and retrieved, if not created or used as sources of information about organizations, policies, functions, decisions, or procedures of a DNA organization. Normally, computer software, including source code, object code, and listings of source and object codes, regardless of medium are not agency records. (This does not include the underlying data which is processed and produced by such software and which may in some instances be stored with the software.) Exceptions to this position are outlined in paragraph (b)(3) of this section.

(iii) Anything that is not a tangible or documentary record, such as an individual's memory or oral communication.

(iv) Personal records of an individual not subject to agency creation or retention requirements, created and maintained primarily for the convenience of an agency employee, and not distributed to other agency employees for their official use.

(v) Information stored within a computer for which there is no existing computer program for retrieval of the requested information.

(3) In some instances, computer software may have to be treated as an agency record and processed under the FOIA. These situations are rare, and shall be treated on a case-by-case basis. Examples of when computer software may have to be treated as an agency record are:

(i) When the data is embedded within the software and cannot be extracted without the software. In this situation, both the data and the software must be reviewed for release or denial under the FOIA.

(ii) Where the software itself reveals information about organizations, policies, functions, decisions, or procedures of a DNA office, such as computer models used to forecast budget outlays, calculate retirement system costs, or optimization models on travel costs.

(iii) Refer to §291.8(b) exemptions 2, 4 and 5 for guidance on release determinations of computer software.

(4) If unaltered publications and processed documents, such as regulations, manuals, maps, charts, and related geophysical materials are available to the public through an established distribution system with or without charge, the provisions of 5 U.S.C. 552(a)(3) normally do not apply and they need not be processed under the FOIA. Normally, documents disclosed to the public by publication in the FEDERAL REGISTER also require no processing under the FOIA. In such cases, PAO

will direct the requester to the appropriate source, to obtain the record.

(d) *Initial denial authority (IDA).* The Deputy Director (DDIR), DNA, has the authority to withhold records requested under the FOIA for one or more of the nine categories (set forth § 291.8) of records exempt from mandatory disclosure.

(e) *Appellate authority.* The Director, DNA.

(f) *Administrative appeal.* A request by a member of the general public, made under the FOIA, asking the appellate authority of a DoD Component (Director, DNA) to reverse an IDA decision to withhold all or part of a requested record or to deny a request for a waiver or reduction of fees.

(g) *Public interest.* Public interest is official information that sheds light on an agency's performance of its statutory duties because it falls within the statutory purpose of the FOIA in informing citizens about what their government is doing. That statutory purpose, however, is not fostered by disclosure of information about private citizens that is accumulated in various governmental files that reveals little or nothing about an agency's or official's own conduct.

(h) *Electronic data.* Electronic data are those records and information which are created, stored, and retrievable by electronic means. This does not include computer software, which is the tool by which to create, store, or retrieve electronic data. Refer to paragraphs (b) (2) and (3) of this section for a discussion of computer software.

§ 291.4 Policy.

(a) *Compliance with the FOIA.* DNA personnel are expected to comply with the FOIA and this part in both letter and spirit. This strict adherence is necessary to provide uniformity in the implementation of the DNA FOIA Program and to create conditions that will promote public trust. It is DNA policy to fully and completely respond to public requests for information concerning its operations and activities, consistent with national security objectives.

(b) *Openness with the public.* 32 CFR part 286 states that all DoD employees shall conduct DoD activities in an open manner consistent with the need for security and adherence to other requirements of law and regulation. Records that are not specifically exempt from disclosure under the Act shall, upon request, be made readily accessible to the public in accordance with rules promulgated by competent authority, whether or not the Act is invoked.

(c) *Avoidance of procedural obstacles.* DNA offices shall ensure that procedural matters do not unnecessarily impede a requester from obtaining DNA records promptly. PAO shall provide assistance to requesters to help them understand and comply with procedures established by this Instruction, the 32 CFR part 286 and any supplemental regulations published by DoD.

(d) *Prompt action on requests.* When a member of the public complies with the procedures established for obtaining DNA records, the request shall receive prompt attention; a reply shall be dispatched within 10 working days, unless a delay is authorized. When PAO has a significant number of requests, e.g., 10 or more, the requests shall be processed in order of receipt.

However, this does not preclude PAO from completing action on a request which can be easily answered, regardless of its ranking within the order of receipt. In addition, PAO may expedite action on a request regardless of its ranking within the order of receipt upon a showing of exceptional need or urgency. Exceptional need or urgency is determined at the discretion of the PAO.

(e) *Use of exemptions.* It is DoD/DNA policy to make records publicly available, unless they qualify for exemption under one or more of the nine exemptions. Components may elect to make a discretionary release; however, a discretionary release is generally not appropriate for records exempt under exemptions 1, 3, 4, 6 and 7(C). Exemptions 4, 6 and 7(C) cannot be claimed when the requester is the submitter of the information.

(f) *Public domain.* Nonexempt records released under the authority of this part are considered to be in the public domain. Such records may also be made available through the reading room channel to facilitate public access. Exempt records released pursuant

to this part or other statutory or regulatory authority, however, may be considered to be in the public domain when their release constitutes a waiver of the FOIA exemption. When the release does not constitute such a waiver, such as when disclosure is made to a properly constituted advisory committee or to a Congressional committee, the released records do not lose their exempt status. Also, while authority may exist to disclose records to individuals in their official capacity, the provisions of this part apply if the same individual seeks the records in a private or personal capacity.

(g) *Creating a record.* (1) A record must exist and be in the possession of and in control of the DNA at the time of the search to be considered subject to this part and the FOIA. Mere possession of a record does not presume agency control, and such records, or identifiable portions thereof, would be referred to the originating agency for direct response to the requester. There is no obligation to create or compile a record to satisfy a FOIA request. However, a DNA employee may compile a new record when so doing would result in a more useful response to the requester, or be less burdensome to the agency than providing existing records, and the requester does not object. The cost of creating or compiling such a record may not be charged to the requester unless the fee for creating the record is equal to or less than the fee which would be charged for providing the existing record.

(2) With respect to electronic data, the issue of whether records are actually created or merely extracted from an existing database is not always readily apparent. Consequently, when responding to FOIA requests for electronic data where creation of a record, programming, or particular format are questionable, offices should apply a standard of reasonableness. In other words, if the capability exists to respond to the request, and the effort would be a business as usual approach, then the request should be processed. However, the request need not be processed where the capability to respond does not exist without a significant expenditure of resources, thus not being a normal business as usual approach.

(h) *Description of requested record.* (1) Identification of the record desired is the responsibility of the member of the public who requests a record. The requester must provide a description of the desired record that will enable the Government to locate the record with a reasonable amount of effort. The Act does not authorize ''fishing expeditions.'' When DNA receives a request that does not ''reasonably describe'' the requested record, PAO shall notify the requester of the defect. The defect should be highlighted in a specificity letter, asking the requester to provide the type of information outlined in paragraph (h)(2) of this section. DNA is not obligated to act on the request until the requester responds to the specificity letter. When practical, PAO shall offer assistance to the requester in identifying the records sought and in reformulating the request to reduce the burden on the Agency in complying with the Act.

(2) The following guidelines are provided to deal with ''fishing expedition'' requests and are based on the principle of reasonable effort. Descriptive information about a record may be divided into two broad categories.

(i) Category I is file-related and includes information such as type of record (for example, memorandum), title, index citation, subject area, date the record was created, and originator.

(ii) Category II is event-related and includes the circumstances that resulted in the record being created or the date and circumstances surrounding the event the record covers.

(3) Generally, a record is not reasonably described unless the description contains sufficient Category I information to permit the conduct of an organized, nonrandom search based on DNA's filing arrangements and existing retrieval systems, or unless the record contains sufficient Category II information to permit inference of the Category I elements needed to conduct such a search.

(4) The following guidelines deal with requests for personal records. Ordinarily, when personal identifiers are provided only in connection with a request for records concerning the requester, only records retrievable by personal identifiers need be searched.

Search for such records may be conducted under Privacy Act procedures. No record may be denied that is releaseable under the FOIA.

(5) The above guidelines notwithstanding, the decision of an office concerning reasonableness of description must be based on knowledge of its files. If the description enables office personnel to locate the record with reasonable effort, the description is adequate.

(i) *Reasons for not releasing a record.* (1) The request is transferred to another DoD component, or to another Federal agency.

(2) The request is withdrawn by the requester.

(3) The information requested is not a record within the meaning of the FOIA and 32 CFR part 286.

(4) A record has not been described with sufficient particularity to enable DNA to locate it by conducting a reasonable search.

(5) The requester has failed reasonably to comply with procedural requirements, including payment of fees, imposed by 32 CFR part 286 or this part.

(6) The DNA determines, through knowledge of its files and reasonable search efforts, that it neither controls nor otherwise possesses the requested record.

(7) The record is subject to one or more of the nine exemptions set forth in § 291.8, and a significant and legitimate government purpose is served by withholding.

§ 291.5 Responsibilities.

(a) The Director, DNA, as appellate authority, is responsible for reviewing and making the final decision on FOIA appeals.

(b) The DDIR, as IDA, is responsible for reviewing all initial denials to FOIA requests and has sole responsibility for withholding that information.

(c) The DNA FOIA Officer, who is also the Public Affairs Officer, manages and implements the DNA FOIA program. In this regard, the Public Affairs Officer serves as the FOIA point-of-contact and liaison between DNA and the Office of the Assistant Secretary of Defense (Public Affairs) (OASD(PA)), Directorate for Freedom of Information and Security Review (DFOI/SR). The Public Affairs Officer is responsible for:

(1) Advising OASD(PA), DFOI/SR, of any DNA denial of a request for records or appeals that may affect another DoD component.

(2) Ensuring publication of this part in the FEDERAL REGISTER.

(3) Ensuring that the Command Services Directorate publishes in the FEDERAL REGISTER a notice of where, how and by what authority DNA performs its functions.

(4) Ensuring that the Command Services Directorate, publishes an index of DNA instructions in the FEDERAL REGISTER.

(5) Coordinating all FOIA actions, except routine, interim replies indicating initial receipt of a FOIA request through the appropriate DNA offices and the DNA General Counsel (GC).

(6) Forwarding all fees collected under the FOIA to the HQ, DNA, Finance and Accounting Officer for further processing.

(7) Coordinating action on FOIA requests that involve other government organizations (e.g., when DNA is not the original classifier for a classified document) with those organizations.

(8) Ensuring FOIA briefings are presented annually for DNA personnel.

(9) Submitting an annual report to OASD(PA), DFOI/SR, in accordance with the requirements of DoD Directive 5400.11.[1]

(d) The Commander, FCDNA, is responsible for determining, based on current directives and instruction, what information in FCDNA custody may be released to FOIA requesters. (This responsibility may be delegated.) The Commander, FCDNA, is responsible for designating a representative to process FOIA requests. The Commander has the authority to release documents in response to the FOIA. When FCDNA releases information under the FOIA, it will forward a copy of the request, the response and the appropriate cost sheet to HQ, DNA, ATTN: PAO (FOIA). FCDNA will not deny requests for information under the FOIA; instead, it will forward to

[1] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

HQ, DNA, PAO a recommendation and justification for denying the FOIA request.

(e) The Director, AFRRI, is responsible for designating a representative to process FOIA requests and to forward them to HQ, DNA, (PAO) for coordination and preparation of a final response.

(f) The DNA GC shall coordinate on all DNA FOIA response except routine interim letters which acknowledge receipt of the FOIA request. That office shall also ensure uniformity in the legal position and interpretation by DNA of the FOIA, and coordinate with the DoD GC, as necessary.

(g) The HQ, DNA, Finance and Accounting Officer will ensure that fees collected under the FOIA are forwarded to the Finance and Accounting Office, U.S. Army, to be submitted to the Treasury of the United States.

(h) HQ, DNA, Assistant Director for Intelligence and Security, Classification Management Division (ISCM), will conduct security reviews of classified documents requested under the FOIA. ISCM will determine whether the document.

(1) Contains information that meets requirements for withholding under Exemption 1 Executive Order 12356.

(2) Has information that meets requirements for withholding under Exemption 3, to include Restricted Data and Formerly Restricted Data, 42 U.S.C. 2162.

(3) Has information that may be declassified or sanitized. ISCM is also responsible for sanitizing DNA classified information from documents requested under the FOIA (refer to §291.6(b)(5)). In addition, ISCM is responsible for advising the Assistant Director for Technical Information (CSTI) to notify the appropriate authorities when information has been reclassified as a result of a DNA FOIA review.

(i) HQ, DNA, CSLE will, upon request, ensure that photocopies are made of 50-page or larger documents being processed under the FOIA. (Copies are required only when documents are not available from other sources.)

(j) CSTI, Technical Library Division (TITL), will, upon notification from PAO that a document has been cleared for public release under the FOIA, retain the marked up document in its files, annotate the FOIA case number in the computerized data base and ensure that the document is made available to the public through the National Technical Information Service (NTIS).

(k) Commander, FCDNA; Director, AFRRI; and directors and chiefs of staff elements at HQ, DNA, will ensure that personnel are familiar with the procedures and contents of this part prior to acting on FOIA requests. They will also make sure that FOIA actions forwarded to their offices for processing are closely monitored to ensure accountability and that their input to PAO is provided in a timely manner and in accordance with this part. (Refer to §291.7(b)(2)). If the office(s) cannot meet the FOIA suspense, they must request an extension. In addition, they will ensure that, upon request by PAO, appropriate technical personnel sanitize information such as unclassified technical data, that is determined to be exempt from disclosure under the FOIA. (Refer to §291.7(b)(5)).

§291.6 Procedures.

(a) If HQ, DNA personnel receive a FOIA request that has not been logged and processed through PAO, they will immediately handcarry the request to PAO. TDNM and AFRRI personnel will forward all FOIA requests to HQ, DNA, Attn: PAO. FCDNA will adhere to paragraph 6d and FCDNA Supplement to DNA Instruction 5400.7C.[2]

(b) When a FOIA request is received by PAO, HQ, DNA, the following procedures apply:

(1) The request will be date stamped, reviewed to determine if it meets the requirements of 5 U.S.C. 552, logged in, assigned an action number, suspensed, and attached to a FOIA cover sheet with instructions for forwarding to the appropriate office. A copy of DD Form 2086 or DD Form 2086–1 will also be attached to the FOIA request.

(2) A copy of the request will be handcarried by PAO to the designated HQ, DNA, action office(s) or forwarded to AFRRI or FCDNA, as appropriate.

[2] Copies can be obtained from Defense Nuclear Agency PAO or SSAB, Defense Nuclear Agency, 6801 Telegraph Road, Alexandria, VA 22310–3398.

The office or component providing input for the FOIA request must keep track of the request and meet the PAO suspense. The HQ, DNA input, or negative response, if there are no records available, will be handcarried to PAO. AFRRI will send the recommended response in daily distribution. FCDNA will telefax the proposed response in addition to mailing the original. All FOIA actions must include a completed DD Form 2086 or 2086–1. Each office acting on FOIA requests will indicate on the form the search, review/excise and coordination time spent processing the FOIA action, and provide the number of pages copied.

(3) The DNA PAO will prepare the response to the requester and coordinate it with the offices that provided input, the GC, and if appropriate, ISCM, the IDA, the Director, DNA, OASD(PA), and outside agencies, if involved. The PAO will maintain files of all FOIA actions per DNA Instruction 5015.4B.

(4) If a request is received by a DNA office which does not have records responsive but office personnel believe another office would have the records requested, they must contact the other office to confirm the existence of the documents, forward the FOIA action to that office and notify PAO.

(5) *FOIAs involving classified information.* When ISCM or contractor security reviewers receive a classified document from PAO for processing under the FOIA, they will conduct a security review to determine if the document may be sanitized or declassified. Most DNA documents requested under the FOIA are queued on a first-come, first-served basis and shall be reviewed in that order. When security reviewers determine that part or all of the information in a classified document may be sanitized or declassified, they will ensure that the appropriate copies are ordered from the Defense Technical Information Center (DTIC). The DTIC copy will be marked up during review. Cases not placed in queue will be suspensed by PAO. They may include documents with less than 10 pages or documents under suspense from other organizations which require a DNA review. All DNA documents reviewed will be marked with a special pen that does not permit photocopying of the classified portions. Security review must include a detailed response providing the appropriate exemption(s) and justification for withholding.

When the Field Command Security Division (FCSS) receives a classified document for processing under the FOIA, they will conduct a security review to determine if the document may be sanitized or declassified. When FCSS determines that part or all of the information in a classified document may be sanitized or declassified, FCSS will make a copy which will be marked up during review. Upon completion of its review, FCSS will provide the marked up document and a sanitized version of the document to PAO. FCSS review must include a detailed response providing the appropriate exemption(s) and justification for withholding. When ISCM/FCSS completes its review, ISCM/FCSS will forward the master copy to the appropriate technical office(s) for review. That office will determine whether the remaining unclassified information is releaseable and provide its response to ISCM/FCSS. If the office recommends that part or all of the information be withheld, then it must forward a detailed response providing the appropriate exemption(s) and justification for withholding. The technical office will return documents with results of their review to ISCM. ISCM will forward the results of both reviews to PAO for further processing. If either ISCM/FCSS or the DNA office reviewing the action recommends additional review by another agency, they will provide the full name and address of that agency with a technical point-of-contact, if known. PAO will forward the action to that organization for further review. When PAO receives that organization's review determination, it will forward the results to ISCM/FCSS. After all reviews are completed, ISCM/FCSS will sanitize the document and handcarry (FCSS will forward) the sanitized as well as the marked up copy to PAO for final processing.

(6) *FOIAs involving unclassified information.* The appropriate technical office(s) will review unclassified documents for release under the FOIA. If the office(s) determines that part or all of the document should be withheld, it

must provide PAO a written recommendation with the appropriate exemption(s) (§291.8) and detailed reasons for withholding the information. Upon PAO request, the technical office(s) will sanitize the unclassified information that is being withheld. Sanitization will be done on a photocopy of the document or on a document that has been obtained from DTIC.

§291.7 Administrative instruction.

(a) FOIA requesters shall clearly mark their requests as such, both on the envelope and in the body of the letter. Identification of the record desired is the responsibility of the FOIA requester. The requester must provide a description of the desired record that enables DNA to locate it with a reasonable amount of effort. The Act does not authorize ''fishing expeditions.'' FOIA requests should be sent to the following address: Public Affairs Officer, Defense Nuclear Agency, Attention: FOIA, 6801 Telegraph Road, Alexandria, VA 22310–3398. Requester failure to comply with this section shall not be sole grounds of denial for requested information.

(b) FOIA appeals must be clearly marked as such, both on the envelope and in the body of the letter. Persons appealing DNA denial letters should include a copy of the denial letter, the case number, a statement of the relief sought and the grounds upon which it is brought. Appeals should be sent to the following address: Director, Defense Nuclear Agency, 6801 Telegraph Road, Alexandria, VA 22310–3398.

(c) The time limitations for responding to legitimate FOIA requests are:

(1) Determinations to release, deny or transfer a record shall be made and the decision reported to the requester within 10 working days after the request is received in PAO.

(2) If additional time is needed to respond to a request, the requester will be notified within the 10-day period. When PAO has a significant number of requests, e.g., 10 or more, the requests shall be processed in order of receipt. However, this does not preclude PAO from completing action on a request which can be easily answered, regardless of its ranking within the order of receipt. PAO may expedite action on a request regardless of its ranking within the order of receipt upon a showing of exceptional need or urgency. Exceptional need or urgency is determined at the discretion of the Public Affairs Officer.

(3) If a request for a record is denied and the requester appeals the decision of the IDA, the requester should file the appeal so that it reaches DNA no later than 60 calendar days after the date of the initial denial letter. At the conclusion of this period, the case may be considered closed; however, such closure does not preclude the requester from filing litigation. In cases where the requester is provided several incremental determinations for a single request, the time for the appeal shall not begin until the requester receives the last such notification. A final determination on the appeal normally shall be made within 20 working days after receipt. If additional time is needed due to unusual circumstances, the final decision may be delayed for the number of working days (not to exceed 10), that were not utilized as additional time for responding to the initial request. If an appeal is denied, the Director, DNA, will notify the requester of the right to judicial review of the decision. Appeal procedures also apply to the disapproval of a request for waiver or reduction of fees.

(d) If DNA denies the requested document in whole or in part, the response must include detailed rationale for withholding information and the specific exemption that applies so the requester can make a decision concerning appeal. When the initial denial is based in whole or in part on a security classification, the explanation should include a summary of the applicable criteria for classification, as well as an explanation, to the extent reasonably feasible, of how those criteria apply to the particular record in question. Denial letters must also include the name and title of the IDA, and cite the name and address of the Director, DNA, as the appellate authority.

(e) All final responses will address the status of fees collectible under the FOIA. Fees of $15 or less will be waived, regardless of category of requester.

(f) A formal reading room for the public, as defined in 32 CFR part 286,

does not exist at DNA (HQ, FCDNA or AFRRI) because of security requirements. However, the PAO will arrange for a suitable location and escort, if required, for members of the public to review DNA documents released under the FOIA. In addition, most reports released under the FOIA are sent to the National Technical Information Service (NTIS).

§ 291.8 Exemptions.

(a) *General.* Records that meet the exemption criteria listed in paragraph (b) below may be withheld from public disclosure and will not be published in the FEDERAL REGISTER, made available in a library, reading room, or provided in response to a FOIA request.

(b) *FOIA exemptions.* The following types of records may be withheld in whole or in part from public disclosure under the FOIA, unless otherwise prescribed by law. A discretionary release (see also § 291.4(e)) to one requester may preclude the withholding of the same record under a FOIA exemption if the record is subsequently requested by someone else. In applying exemptions, the identity of the requester and the purpose for which the record is sought are irrelevant with the exception that an exemption may not be invoked where the particular interest to be protected is the requester's interest.

(1) *Number 1.* Those properly and currently classified in the interest of national defense or foreign policy, as specifically authorized under the criteria established by executive order and implemented by regulations, such as DoD 5200.1–R.[3] Although material is not classified at the time of the FOIA request, a classification review may be undertaken to determine whether the information should be classified. The procedures in DoD 5200.1–R, section 2–204f., apply. In addition, this exemption shall be invoked when the following situations are apparent:

(i) The fact of the existence or nonexistence of a record would itself reveal classified information. In this situation, DNA shall neither confirm nor deny the existence or nonexistence of the record being requested. A ''refusal to confirm or deny'' response must be used consistently, not only when a record exists, but also when a record does not exist. Otherwise, the pattern of using a ''no record'' response when a record does not exist, and a ''refusal to confirm or deny'' when a record does exist will itself disclose national security information.

(ii) Information that concerns one or more of the classification categories established by executive order and DoD 5200.1–R shall be classified if its unauthorized disclosure, either by itself or in the context of other information, reasonably could be expected to cause damage to the national security.

(2) *Number 2.* Those related solely to the internal personnel rules and practices of DNA. This exemption has two profiles, high b2 and low b2.

(i) Records qualifying under high b2 are those containing or constituting statutes, rules, regulations, orders, manuals, directives, and instructions, the release of which would allow circumvention of these records, thereby substantially hindering the effective performance of a significant function of the DNA. Examples include:

(A) Those operating rules, guidelines and manuals for DNA investigators, inspectors, auditors, or examiners that must remain privileged in order for the DNA office to fulfill a legal requirement.

(B) Personnel and other administration matters, such as examination questions and answers used in training courses or in the determination of the qualifications of candidates for employment, entrance on duty, advancement, or promotion.

(C) Computer software meeting the standards of paragraph 291.3(b)(2)(iii), the release of which would allow circumvention of a statute or DoD rules, regulations, orders, manuals, directives, or instructions. In this situation, the use of the software must be clearly examined to ensure a circumvention possibility exists.

(ii) Records qualifying under the low b2 profile are those that are trivial and housekeeping in nature for which there is no legitimate public interest or benefit to be gained by release, and it would constitute an administrative burden to process the request in order

[3] See footnote 1 to § 291.5(c)(9).

to disclose the records. Examples include: Rules of personnel's use of parking facilities or regulation of lunch hours, statements of policy as to sick leave, and trivial administrative data such as file numbers, mail routing stamps, initials, data processing notations, brief references to previous communications, and other like administrative markings.

(3) *Number 3.* Those containing matters that a statute specifically exempts from disclosure by terms that permit no discretion on the issue, or in accordance with criteria established by that statute for withholding or referring to particular types of matters to be withheld. Examples of statutes are:

(i) National Security Agency Information Exemption, Public Law 86–36, section 6.

(ii) Patent Secrecy, 35 U.S.C. 181–188. Any records containing information relating to inventions that are the subject of patent applications on which Patent Secrecy Orders have been issued.

(iii) Restricted Data and Formerly Restricted Data, 42 U.S.C. 2162.

(iv) Communication Intelligence, 18 U.S.C. 798.

(v) Authority to Withhold from Public Disclosure Certain Technical Data, 10 U.S.C. 130 and DoD Directive 5230.25.[4]

(vi) Confidentiality of Medical Quality Records: Qualified Immunity Participants, 10 U.S.C. 1102.

(vii) Physical Protection of Special Nuclear Material: Limitation on Dissemination of Unclassified Information, 10 U.S.C. 128.

(viii) Protection of Intelligence Sources and Methods, 50 U.S.C. 403 (d)(3).

(4) *Number 4.* Those containing trade secrets or commercial or financial information that DNA receives from a person or organization outside the government with the understanding that the information or record will be retained on a privileged or confidential basis in accordance with the customary handling of such records. Records within the exemption must contain trade secrets, or commercial or financial records, the disclosure of which is likely to cause substantial harm to the competitive position of the source providing the information; impair the Government's ability to obtain necessary information in the future; or impair some other legitimate government interest. Examples include:

(i) Commercial or financial information received in confidence in connection with loans, bids, contracts, or proposals, as well as other information received in confidence or privileged, such as trade secrets, inventions, discoveries, or other proprietary data. See 32 CFR part 286h, ''Release of Acquisition-Related Information.''

(ii) Statistical data and commercial or financial information concerning contract performance, income, profits, losses and expenditures, if offered and received in confidence from a contractor or potential contractor.

(iii) Personal statements given in the course of inspections, investigations, or audits, when such statements are received in confidence from the individual and retained in confidence because they reveal trade secrets or commercial or financial information normally considered confidential or privileged.

(iv) Financial data provided in confidence by private employers in connection with locality wage surveys that are used to fix and adjust pay schedules applicable to the prevailing wage rate of employees within the Department of Defense.

(v) Scientific and manufacturing processes or developments concerning technical or scientific data or other information, submitted with an application for a research grant, or with a report, while research is in progress.

(vi) Technical or scientific data developed by a contractor or subcontractor exclusively at private expense, and technical or scientific data developed in part with Federal funds and in part at private expense, wherein the contractor or subcontractor has retained legitimate proprietary interests in such data in accordance with title 10, U.S.C. 2320–2321 and DoD Federal Acquisition Regulation Supplement (DFARS), subpart 27.4. Technical data developed exclusively with Federal funds may be withheld under Exemption Number 3 if it meets the criteria of 10 U.S.C. 130 and DoD Directive 5230.25 (refer to paragraph (b)(3)(v)).

[4] See footnote 1 to § 291.5(c)(9).

(vii) Computer software meeting the conditions of section 4 (b)(3), which is copyrighted under the Copyright Act of 1976 (17 U.S.C. 106), the disclosure of which would have an adverse impact on the potential market value of a copyrighted work.

(5) *Number 5.* Except as provided in paragraphs (b)(5)(i) through (v) of this section, internal advice, recommendations, and subjective evaluations, as contrasted with factual matters, that are reflected in records pertaining to the decisionmaking process of any agency, whether within or among agencies (as defined in 5 U.S.C. 552(e)) or within or among DoD/DNA offices. Also exempted are records pertaining to the attorney-client privilege and the attorney work-product privilege.

(i) Examples include:

(A) The nonfactual portions of staff papers, to include after-action reports and situation reports containing staff evaluations, advice, opinions or suggestions.

(B) Advice, suggestions, or evaluations prepared on behalf of the DNA by individual consultants or by boards, committees, councils, groups, panels, conferences, commissions, task forces, or other similar groups that are formed for the purpose of obtaining advice and recommendations.

(C) Those nonfactual portions of evaluations by DNA personnel of contractors and their products.

(D) Information of a speculative, tentative, or evaluative nature or such matters as proposed plans to procure, lease or otherwise acquire and dispose of materials, real estate, facilities or functions, when such information would provide undue or unfair competitive advantage to private personal interests or would impede legitimate government functions.

(E) Trade secret or other confidential research, development, or commercial information owned by the Government, where premature release is likely to affect the Government's negotiating position or other commercial interests.

(F) Records that are exchanged among agency personnel as part of the preparation for anticipated administrative proceedings by DNA, or litigation before any federal, state, or military court, as well as records that qualify for the attorney-client privilege.

(G) Those portions of official reports of inspection, reports of the Inspector General, audits, investigations, or surveys pertaining to safety, security, or the internal management, administration, or operation of DNA when these records have traditionally been treated by the courts as privileged against disclosure in litigation.

(H) Computer software meeting the standards of paragraph 291.3(b)(2)(iii), which is deliberative in nature, the disclosure of which would inhibit or chill the decision-making process. In this situation, the use of software must be closely examined to ensure its deliberative nature.

(I) Planning, programming, and budgetary information which is involved in the defense planning and resource allocation process.

(ii) If any such intra- or inter-agency record or reasonably segregable portion of such record hypothetically would be made available routinely through the ''discovery process'' in the course of litigation with DNA, i.e., the process by which litigants obtain information from each other that is relevant to the issues in trial or hearing, then it should not be withheld from the general public even though ''discovery'' has not been sought in actual litigation. If, however, the information hypothetically would only be made available through the discovery process by special order of the court based on the particular needs of a litigant, balanced against the interests of the agency in maintaining its confidentiality, then the record or document need not be made available under this part. Consult with legal counsel to determine whether exemption 5 material would be routinely made available through the ''discovery process''.

(iii) Intra- or inter-agency memoranda or letters that are factual, or those reasonably segregable portions that are factual, are routinely made available through ''discovery,'' and shall be made available to a requester, unless the factual material is otherwise exempt from release, inextricably intertwined with the exempt information, so fragmented as to be

uninformative, or so redundant of information already available to the requester as to provide no new substantive information.

(iv) A direction or order from a superior to a subordinate, though contained in an internal communication, generally cannot be withheld from a requester if it constitutes policy guidance or a decision, as distinguished from a discussion of preliminary matters or a request for information or advice that would compromise the decision-making process.

(v) An internal communication concerning a decision that subsequently has been made a matter of public record must be made available to a requester when the rationale for the decision is expressly adopted or incorporated by reference in the record containing the decision.

(6) *Number 6.* Information in personnel and medical files, as well as similar personal information in other files, that, if disclosed to the requester would result in a clearly unwarranted invasion of personal privacy. Release of information about an individual contained in a Privacy Act System of Records that would constitute a clearly unwarranted invasion of privacy is prohibited, and could subject the releaser to civil and criminal penalties.

(i) Examples of other files containing personal information similar to that contained in personnel and medical files include:

(A) Those compiled to evaluate or adjudicate the suitability of candidates for civilian employment or membership in the Armed Forces, and the eligibility of individuals (civilian, military, or contractor employees) for security clearances, or for access to particularly sensitive classified information.

(B) Files containing reports, records, and other material pertaining to personnel matters in which administrative action, including disciplinary action, may be taken.

(ii) Home addresses are normally not releasable without the consent of the individuals concerned. In addition, lists of DoD military and civilian personnel's names and duty addresses who are assigned to units that are sensitive, routinely deployable, or stationed in foreign territories can constitute a clearly unwarranted invasion of personal privacy.

(A) Privacy interest. A privacy interest may exist in personal information even though the information has been disclosed at some place and time. If personal information is not freely available from sources other than the Federal Government, a privacy interest exists in its nondisclosure. The fact that the Federal Government expended funds to prepare, index and maintain records on personal information, and the fact that a requester invokes FOIA to obtain these records indicates the information is not freely available.

(B) Published telephone directories, organizational charts, rosters and similar materials for personnel assigned to units that are sensitive, routinely deployable, or stationed in foreign territories are withholdable under this exemption.

(iii) This exemption shall not be used in an attempt to protect the privacy of a deceased person, but it may be used to protect the privacy of the deceased person's family.

(iv) Individuals' personnel, medical, or similar file may be withheld from them or their designated legal representative only to the extent consistent with DoD Directive 5400.11.

(v) A clearly unwarranted invasion of the privacy of the persons identified in a personnel, medical or similar record may constitute a basis for deleting those reasonably segregable portions of that record, even when providing it to the subject of the record. When withholding personal information from the subject of the record, legal counsel should first be consulted.

(7) *Number 7.* Records or information compiled for law enforcement purposes; i.e., civil, criminal, or military law, including the implementation of executive orders or regulations issued pursuant to law. This exemption may be invoked to prevent disclosure of documents not originally created for, but later gathered for law enforcement purposes.

(i) This exemption applies, however, only to the extent that production of such law enforcement records or information could result in the following:

(A) Could reasonably be expected to interfere with enforcement proceedings.

(B) Would deprive a person of the right to a fair trial or to an impartial adjudication.

(C) Could reasonably be expected to constitute an unwarranted invasion of personal privacy of a living person, including surviving family members of an individual identified in such a record.

(*1*) This exemption also applies when the fact of the existence or nonexistence of a responsive record would itself reveal personally private information, and the public interest in disclosure is not sufficient to outweigh the privacy interest. In this situation, DNA shall neither confirm nor deny the existence or nonexistence of the record being requested.

(*2*) A ''refusal to confirm or deny'' response must be used consistently, not only when a record exists, but also when a record does not exist. Otherwise, the pattern of using a ''no records'' response when a record does not exist and a ''refusal to confirm or deny'' when a record does exist will itself disclose personally private information.

(*3*) Refusal to confirm or deny should not be used when the person whose personal privacy is in jeopardy has provided the requester with a waiver of his or her privacy rights; or the person whose personal privacy is in jeopardy is deceased, and DNA is aware of that fact.

(D) Could reasonably be expected to disclose the identity of a confidential source including a source within DNA, a state, local or foreign agency or authority, or any private institution which furnishes the information on a confidential basis.

(E) Could disclose confidential information furnished from a confidential source and obtained by a criminal law enforcement authority in a criminal investigation or by an agency conducting a lawful national security intelligence investigation.

(F) Would disclose techniques and procedures for law enforcement investigations or prosecutions, or would disclose guidelines for law enforcement investigations or prosecutions if such disclosure could reasonably be expected to risk circumvention of the law.

(G) Could reasonably be expected to endanger the life, or the physical safety of any individual.

(ii) Examples include:

(A) Statements of witnesses and other material developed during the course of the investigation and all materials prepared in connection with related government litigation or adjudicative proceedings.

(B) The identity of firms or individuals being investigated for alleged irregularities involving contracting with DNA when no indictment has been obtained nor any civil action filed against them by the United States.

(C) Information obtained in confidence, expressed or implied, in the course of a criminal investigation by a criminal law enforcement agency or office within DNA, or a lawful national security intelligence investigation conducted by an authorized agency or office within DNA. National security intelligence investigations include background security investigations and those investigations conducted for the purpose of obtaining affirmative or counterintelligence information.

(iii) The right of individual litigants to investigative records currently available by law (such as, the Jencks Act, 18 U.S.C. 3500 is not diminished.

(iv) When the subject of an investigative record is the requester of the record, it may be withheld only as authorized by DoD Directive 5400.11.

(v) *Exclusions.* Excluded from the previous exemptions are the following two situations applicable to the Department of Defense.

(A) Whenever a request is made which involves access to records or information compiled for law enforcement purposes and the investigation or proceedings involves a possible violation or criminal law where there is reason to believe that the subject of the investigation or proceedings is unaware of its pendency, and the disclosure of the existence of the records could reasonably be expected to interfere with enforcement proceedings. Components may, during only such times as that circumstance continues, treat the records or information as not

subject to the FOIA. In such situation, the response to the requester will state that no records were found.

(B) Whenever informant records maintained by a criminal law enforcement organization within a DoD component under the informant's name or personal identifier are requested by a third party using the informant's name or personal identifier, the Component may treat the records as not subject to the FOIA, unless the informant's status as an informant has been officially confirmed. If it is determined that the records are not subject to exemption 7, the response to the requester will state that no records were found.

(8) *Number 8.* Those contained in or related to examination, operation or condition reports prepared by, on behalf of, or for the use of any agency responsible for the regulation or supervision of financial institutions.

(9) *Number 9.* Those containing geological and geophysical information and data (including maps) concerning wells.

§291.9 For official use only (FOUO).

Information that has not been given a security classification pursuant to the criteria of an Executive Order, but which may be withheld from the public for one or more of the reasons cited in FOIA exemptions 2 through 9 shall be considered as being for official use only. No other material shall be considered or marked ''For Official Use Only'' (FOUO) and FOUO is not authorized as an anemic form of classification to protect national security interests. See DNA Instruction 5230.2A[5] for additional information regarding FOUO policy.

(a) *Prior FOUO application.* The prior application of FOUO markings is not a conclusive basis for withholding a record that is requested under the FOIA. When such a record is requested, the information in it shall be evaluated to determine whether, under current circumstances, FOIA exemptions apply in withholding the record or portions of it. If any exemption or exemptions apply or applies, it may nonetheless be released when it is determined that no governmental interest will be jeopardized by its release.

(b) *Historical papers.* Records, such as notes, working papers, and drafts retained as historical evidence of DNA actions enjoy no special status apart from the exemptions under the FOIA.

(c) *Time to mark records.* The marking of records at the time of their creation provides notice of FOUO content and facilitates review when a record is requested under the FOIA. Records requested under the FOIA that do not bear such markings, shall not be assumed to be releaseable without examination for the presence of information that requires continued protection and qualifies as exempt from public release.

(d) *Distribution statement.* Information in a technical document that requires a distribution statement pursuant to DNA Instruction 5230.24A shall bear that statement and may be marked FOUO, as appropriate.

(e) *Termination.* The originator or other competent authority, e.g., initial denial and appellate authorities, shall terminate ''For Official Use Only'' markings or status when circumstances indicate that the information no longer requires protection from public disclosure. When FOUO status is terminated, all known holders shall be notified, to the extent practical. Upon notification, holders shall efface or remove the ''For Official Use Only'' markings, but records in file or storage need not be retrieved solely for that purpose.

(f) *Disposal.* (1) Nonrecord copies of FOUO materials may be destroyed by tearing each copy into pieces to preclude reconstructing, and placing them in regular trash containers. When local circumstances or experience indicates that this destruction method is not sufficiently protective of FOUO information, local authorities may direct other methods but must give due consideration to the additional expense balanced against the degree of sensitivity of the type of FOUO information contained in the records.

(2) Record copies of FOUO documents shall be disposed of in accordance with the disposal standards established under 44 U.S.C. chapter 33, as implemented by DNA instructions concerning records disposal.

[5] See footnote 2, to §291.6(a)

(g) *Unauthorized disclosure.* The unauthorized disclosure of FOUO records does not constitute an unauthorized disclosure of DNA information classified for security purposes. Appropriate administrative action shall be taken, however, to fix responsibility for unauthorized disclosure whenever feasible, and appropriate disciplinary action shall be taken against those responsible. Unauthorized disclosure of FOUO information that is protected by the Privacy Act, may also result in civil and criminal sanctions against responsible persons. The DNA office that originated the FOUO information shall be informed of its unauthorized disclosure.

APPENDIX A TO PART 291—FREEDOM OF INFORMATION ACT REQUEST (DNA FORM 524)

Suspense Item—Freedom of Information Act Request

Date _____

Information Required in PAO NLT _____

FOIA Case No. _____

To: _____

Special Instructions: _____

_____

_____

_____

_____

_____

_____

Please conduct a search within your organization to determine if there is information/documents responsive to the attached FOIA request.

If you recommend withholding information from the documents requested, please refer to the FOIA exemptions listed on the reverse.

If this request is for a technical proposal, please provide the name and address for the contact person at the company which was awarded the contract and the name and office symbol to the TM.

Record time spent on this request and the number of pages copied on the enclosed DD Form 2086.

If you believe other DNA offices should be involved in processing this request, please advise PAO ASAP.

If you have any questions call PAO, 57095 or 57306. Do not place this FOIA action in distribution.

Enclosures:

DNA Form 524 (28 June 90) Previous Editions Obsolete.

EXPLANATION OF EXEMPTIONS

FREEDOM OF INFORMATION ACT (5 USC 552)

(b)(1) Applies to information which is currently and properly classified pursuant to an Executive Order in the interest of national defense or foreign policy. (See Executive Order 12356, DoD Regulation 5200.1–R and DNA Instruction 5400–7C.)

(b)(2) Applies to information which pertains solely to the internal rules and practices of the Agency; this exemption has two profiles, ''high'' and ''low.'' The ''high'' profile permits withholding of a document which, if released, would allow circumvention of an agency rule, policy, or statute, thereby impeding the agency in the conduct of its mission. The ''low'' profile permits withholding if there is no public interest in the document, and it would be an administrative burden to process the request.

(b)(3) Applies to information specifically exempted by a statute establishing particular criteria for withholding. The language of the statute must clearly state that the information will not be disclosed.

(b)(4) Applies to information such as trade secrets and commercial or financial information obtained from a company on a privileged or confidential basis which, if released, would result in competitive harm to the company.

(b)(5) Applies to inter- and intra-agency memoranda which are deliberative in nature; this exemption is appropriate for internal documents which are part of the decision making process, and contain subjective evaluations, opinions and recommendations.

(b)(6) Applies to information release of which could reasonably be expected to constitute a clearly unwarranted invasion of the personal privacy of individuals; and

(b)(7) Applies to records or information compiled for law enforcement purposes that (A) could reasonably be expected to interfere with law enforcement proceedings, (B) would deprive a person of a right to a fair trial or impartial adjudication, (C) could reasonably be expected to constitute an unwarranted invasion of the personal privacy of others, (D) disclose the identity of a confidential source, (E) disclose investigative techniques and procedures, or (F) could reasonably be expected to endanger the life or physical safety or any individual.

(b)(8) Permits the withholding of matters contained in, or related to, examination, operating or conditions reports prepared by, on behalf of, or for the use of, an agency responsible for the regulation and supervision of financial institutions.

(b)(9) Permits the withholding of geological information and data including maps, concerning wells.

PART 292—DEFENSE INTELLIGENCE AGENCY (DIA) FREEDOM OF INFORMATION ACT

Sec.
292.1 Purpose.
292.2 Applicability.
292.3 Basic policy.
292.4 Specific policy.
292.5 How the public submits requests for records.
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292.7 Filing an appeal for refusal to make records available.
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APPENDIX A TO PART 292—UNIFORM AGENCY FEES FOR SEARCH AND DUPLICATION UNDER THE FREEDOM OF INFORMATION ACT (AS AMENDED)

AUTHORITY: 5 U.S.C. 552.

SOURCE: 57 FR 38775, Aug. 27, 1992, unless otherwise noted.

§292.1 Purpose.

This document implements the ''Freedom of Information Act (FOIA),'' 5 U.S.C., as amended, with the Defense Intelligence Agency (DIA) and outlines policy governing release of records to the public.

§292.2 Applicability.

This part applies to all DIA elements, and governs the public release of records of these elements.

§292.3 Basic policy.

(a) Upon receipt of a written request, the DIA will release to the public, records concerning its operations and activities which are rightfully public information. Generally, information, other than that exempt in §292.6, will be provided to the public. The following policy will be followed in the conduct of this program.

(1) The provisions of the FOIA, as implemented by 32 CFR part 286 and this part, will be supported in both letter and spirit.

(2) Requested records will be withheld only when a significant and legitimate governmental purpose is served by withholding them. Records which require protection against unauthorized release in the interest of the national defense or foreign relations of the United States will not be provided.

(3) Official requests from Members of Congress, acting in their official capacity, will be governed by DoD Directive 5400.4,[1] (see DoD 5400.7–R,[2] paragraph 5–103); from the General Accounting Office by DoD Directive 7650.1;[3] and from private parties, and officials of state or local governments by DoD 5400.7–R, paragraphs 5–101 and 102.

(4) Records will not be withheld solely because their release might result in criticism of the Department of Defense or this Agency.

(5) The applicability of the FOIA depends on the existence of an ''identifiable record'' (5 U.S.C. 552(a)(3)). Accordingly, if the DIA has no record containing information requested by a member of the public, it is under no obligation to compile information to create or obtain such a record.

(6) The mission of the DIA does not encompass regulatory or decision-making matters in the sense of a public use agency; therefore, extensive reading room material for the general public is not available.

(7) Pursuant to 5 U.S.C. 552 (a)(4)(A) fees may apply with regard to services rendered the public under the Freedom of Information Act (See appendix A to this part). With regard to fees, the specific guidance of DoD, as set forth in DoD 5400.7–R will be followed.

(b) This basic policy is subject to the exemptions recognized in 5 U.S.C. 552 (b) and discussed in section 292.6.

§292.4 Specific policy.

(a) *Definition of a Record.* The products of data compilation, such as all books, papers, maps, and photographs, machine readable materials or other documentary materials, regardless of physical form or characteristics, made or received by the DIA in connection with the transaction of public business and in the DIA's possession and control at the time the FOIA request is made.

(b) The following are not included within the definition of the word ''record:''

(1) Objects or articles, such as structures, furniture, paintings, sculptures,

[1] Copies may be obtained at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

[2] See footnote 1 to §292.3(a)(3).

[3] See footnote 1 to §292.3(a)(3).

three-dimensional models, vehicles and equipment, whatever their historical value or value as evidence.

(2) Administrative tools by which records are created, stored, and retrieved, if not created or used as sources of information about organizations, policies, functions, decisions, or procedures of a DoD Component. Normally, computer software, including source code, object code, and listings of source and object codes, regardless of medium are not agency records. (This does not include the underlying data which is processed and produced by such software and which may in some instances be stored with the software.) Exceptions to this position are outlined in paragraph (b)(2)(i) of this section.

(i) In some instances, computer software may have to be treated as an agency record and processed under the FOIA. These situations are rare, and shall be treated on a case-by-case basis. Examples of when computer software may have to be treated as an agency record are:

(A) When the data are embedded within the software and cannot be extracted without the software. In this situation, both the data and the software must be reviewed for release or denial under the FOIA.

(B) When the software itself reveals information about organizations, policies, functions, decisions, or procedures of the Agency, such as computer models used to forecast budget outlays, calculate system costs, or optimization models on travel costs.

(3) Anything that is not a tangible or documentary record, such as an individual's memory or oral communication.

(4) Personal notes of an individual not subject to agency creation or retention requirements, created and maintained primarily for the convenience of an agency employee, and not distributed to other agency employees for their official use.

(5) Information stored within a computer for which there is no existing computer program or printout for retrieval of the requested information.

(c) The prior application of FOR OFFICIAL USE ONLY (FOUO) markings is not a conclusive basis for withholding a record that is requested under the FOIA. When such a record is requested, the information in it will be evaluated to determine whether, under current circumstances, FOIA exemptions apply and whether a significant and legitimate Governmental purpose is served by withholding the record or portions of it.

(d) A record must exist and be in the possession or control of the DIA at the time of the request to be considered subject to this regulation. There is no obligation to create, compile, or obtain a record to satisfy an FOIA request.

(e) *Identification of the Record.* (1) Identification of the record desired is the responsibility of the member of the public who requests a record. The requester must provide a description of the desired record that enables the DIA to locate the record with a reasonable amount of effort. The Act does not authorize ''fishing expeditions.'' When the DIA receives a request that does not ''reasonably describe'' the requested record, it will notify the requester of the deficiency. The deficiency should be highlighted in a distinctive letter, asking the requester to provide the type of information outlined below. This Agency is not obligated to act on the request until the requester responds to the distinctive letter. When practicable, the DIA will offer assistance to the requester in identifying the records sought and in reformulating the request to reduce the burden on the Agency in complying with the Act.

(2) The following guidelines are provided to deal with ''fishing expedition'' requests and are based on the principle of reasonable effort. Descriptive information about a record may be divided into two broad categories.

(i) Category I is file-related and includes information such as type of record (for example, memorandum), title, index citation, subject area, date the record was created, and originator.

(ii) Category II is event-related and includes the circumstances that resulted in the record being created or the date and circumstances surrounding the event the record covers.

(3) Generally, a record is not reasonably described unless the description

contains sufficient Category I information to permit the conduct of an organized, non-random search based on the DIA's filing arrangements and existing retrieval systems, or unless the record contains enough Category II information to permit inference of the Category I elements needed to conduct such a search.

(f) Requests for records may be denied only when the official designated in §292.8 determines that such denial is authorized by the FOIA.

(g) When an initial request is denied, the requester will be apprised of the following:

(1) The basis for the refusal shall be explained to the requester, in writing, identifying the applicable statutory exemption or exemptions invoked under provisions of this part.

(2) When the final refusal is based in whole or in part on a security classification, the explanation shall include a determination that the record meets the criteria and rationale of the governing Executive Order, and that this determination is based on a declassification review.

(3) The final denial shall include the name and title or position of the official responsible for the denial.

(4) The response shall advise the requester with regard to denied information whether or not any reasonably segregable portions were found.

(5) The response shall advise the requester of the right to appeal within 60 days of the date of the initial denial letter.

(h)(1) Initial availability, releasability, and cost determinations will normally be made within 10 working days of the date on which a written request for an identifiable record is received by the DIA. If, due to unusual circumstances, additional time is needed, a written notification of the delay will be forwarded to the requester within the 10 working day period. This notification will briefly explain the circumstances for the delay and indicate the anticipated date for a substantive response. The period of delay, by law, may not exceed 10 additional working days.

(2) Requests shall be processed in order of receipt. However, this does not preclude DIA from completing action on a request which can easily be answered, regardless of its ranking within the order of receipt. DIA may expedite action on a request regardless of its ranking within the order of receipt upon a showing of exceptional need or urgency. Exceptional need or urgency is determined at the discretion of DIA.

§292.5 How the public submits requests for records.

(a) Requests to obtain copies of records must be made in writing. The requests should contain at least the following information:

(1) Reasonable identification of the desired record as specified in §292.4(e), including (if known) title or description, date, and the issuing office.

(2) With respect to matters of official records concerning civilian or military personnel, the first name, middle name or initial, surname, date of birth, and social security number of the individual concerned, if known.

(b) Persons desiring records should direct inquiry to: Defense Intelligence Agency, ATTN: DSP–1A (FOIA), Washington, DC 20340–3299.

§292.6 FOIA exemptions.

The following type of records may be withheld in whole or in part from public disclosure unless otherwise prescribed by law.

(a) *Exemption (b)(1).* Those properly and currently classified in the interest of national defense or foreign policy, as specifically authorized under the criteria established by Executive Order and implemented by regulations, such as DoD 5200.1–R.[4] Although material may not be classified at the time of the FOIA request, a classification review may be undertaken to determine whether the information should be classified. The procedures outlined in DIAR 50–2[5] regarding classification apply. In addition, this exemption shall be invoked when the following situations are apparent:

[4] See footnote 1 to §292.3(a)(3).

[5] Forward requests to: Defense Intelligence Agency, ATTN: DSP–1A (FOIA), Washington, DC 20340–3299.

(1) The fact of the existence or nonexistence of a record would itself reveal classified information. In this situation, DIA shall neither confirm or deny the existence or nonexistence of the record being requested. A ''refusal to confirm or deny'' response must be used consistently, not only when a record exists, but also when a record does not exist. Otherwise, the pattern of using a ''no record'' response when a record does not exist, and a ''refusal to confirm or deny'' when a record does exist will itself disclose national security information.

(2) Information that concerns one or more of the classification categories established by Executive Order and DoD 5200.1–R shall be classified if its unauthorized disclosure, either by itself or in the context of other information, reasonably could be expected to cause damage to the national security.

(b) *Exemption (b)(2).* Those containing or constituting rules, regulations, orders, manuals, directives, and instructions relating to the internal personnel rules or practices of the DIA if their release to the public would substantially hinder the effective performance of a significant function of the Department of Defense, and they do not impose requirements directly on the general public. This exemption has two profiles, high (b)(2) and low (b)(2).

(1) Records qualifying under high (b)(2) are those containing or constituting, rules, regulations, orders, manuals, directives, and instructions the release of which would allow circumvention of these records thereby substantially hindering the effective performance of a significant function of the Department of Defense.

(2) Records qualifying under the low (b)(2) profile are those that are trivial and housekeeping in nature for which there is no legitimate public interest or benefit to be gained by release, and it would constitute an administrative burden to process the request in order to disclose the records.

(c) *Exemption (b)(3).* Those concerning matters that a statute specifically exempts from disclosure by terms that permit no discretion on the issue, or in accordance with criteria established by that statute for withholding or referring to particular types of matters to be withheld.

(d) *Exemption (b)(4).* (1) Those containing trade secrets or commercial or financial information that the DIA receives from a person or organization outside the Government with the understanding that the information or record will be retained on a privileged or confidential basis in accordance with the customary handling of such records. Records within the exemption must contain trade secrets or commercial or financial records the disclosure of which is likely to cause substantial harm to the competitive position of the source providing the information, impair the Government's ability to obtain necessary information in the future, or impair some other legitimate Governmental interest.

(2) When a request is received for a record that was obtained or provided by a non-U.S. Government source, the source of the record or information (also known as ''the submitter'' for matters pertaining to proprietary data) shall be notified promptly of that request and afforded reasonable time (e.g. 30 calendar days) to present any objections concerning the release, unless it is clear that there can be no valid basis for objection. This practice is required for those FOIA requests for data not deemed clearly exempt from disclosure under Exemption (b)(4). For further guidance, see DoD 5400.7–R, paragraph 5–207.

(e) *Exemption (b)(5).* Those concerning internal advice, recommendations, and subjective evaluations, as contrasted with factual matters, that are reflected in records pertaining to the decision-making process of an agency, whether within or among agencies or within or among DoD components. Also exempted are records pertaining to the attorney-client privilege and the attorney work-product privilege.

(f) *Exemption (b)(6).* Information in personnel and medical files, as well as similar personal information in other files, that, if disclosed to the requester, would result in a clearly unwarranted invasion of personal privacy. Release of information about an individual contained in a Privacy Act system of records that would constitute a clearly

unwarranted invasion of privacy is prohibited, and could subject the releaser to civil and criminal penalties.

(g) *Exemption (b)(7).* Records or information compiled for the purpose of enforcing civil, criminal, or military law, including the implementation of Executive Orders or regulations issued pursuant to law, but only to the extent that the production of such law enforcement records or information

(1) Could reasonably be expected to interfere with enforcement proceedings.

(2) Would deprive a person of a right to a fair trial or an impartial adjudication.

(3) Could constitute an unwarranted invasion of the personal privacy of others (also see DoD 5400.7–R, paragraph 3–200, Number 7 a. 3. (a)–(c)).

(4) Could disclose the identity of a confidential source.

(5) Would disclose investigative techniques and procedures, or

(6) Could endanger the life or physical safety of law enforcement personnel. This exemption may be invoked to prevent disclosure of documents not originally created for, but later gathered for, law enforcement purposes.

§ 292.7 Filing an appeal for refusal to make records available.

(a) A requester may appeal an initial decision to withhold a record. Further, if a requester determines a ''no record'' response in answer to a request to be adverse, this determination may also be appealed. Appeals should be addressed to: Defense Intelligence Agency, ATTN: DSP–1A (FOIA), Washington, DC 20340–3299.

(b) The requester shall be advised that the appellate authority must receive an appeal no later than 60 calendar days after the date of the initial denial letter.

(c) Final determination on appeals normally will be made within 20 working days of receipt of the appeal at the above address. If additional time is needed to decide the appeal because of unusual circumstances, the final determination may be delayed for the number of working days, not to exceed 10, which were not utilized as additional time for responding to the initial request. Appeals shall be processed in order of receipt. However, this does not preclude DIA from completing action on an appeal request which can easily be answered, regardless of its ranking within the order of receipt. DIA may expedite action on an appeal request regardless of its ranking within the order of receipt upon a showing of exceptional need or urgency. Exceptional need or urgency is determined at the discretion of DIA.

(d) When an appeal is denied, the requester will be apprised of the following:

(1) The basis for the refusal shall be explained to the requester, in writing, identifying the applicable statutory exemption or exemptions invoked under provisions of this part.

(2) When the final refusal is based in whole or in part on a security classification, the explanation shall include a determination that the record meets the criteria and rationale of the governing Executive Order, and that this determination is based on a declassification review.

(3) The final denial shall include the name and title or position of the official responsible for the denial.

(4) The response shall advise the requester with regard to denied information whether or not any reasonably segregable portions were found.

(5) The response shall advise the requester of the right to judicial review.

§ 292.8 Responsibilities.

When a request for information or records is received, the following will apply:

(a) *DSP–1A.* (1) Receives requests and assigns tasking.

(2) Maintains appropriate suspenses and authorizes all extensions of response time.

(3) Acts as the responsible operating office for all Agency actions related to the FOIA.

(4) Drafts and transmits responses on:

(i) The release of records and/or information.

(ii) Obtaining supplemental information from the requester.

(iii) Informing the requester of any fees required.

(iv) The transfer to another element or agency of the initial request.

(5) Fulfills the annual reporting requirement and maintains appropriate records.

(6) Acts as the responsible official for all initial denials of access to the public.

(b) All DIA elements:

(1) When identified by DSP–1A as the Office of Primary Responsibility (OPR) will:

(i) Search files for any relevant records, and/or

(ii) Review records for possible public release within the time constraints assigned, and

(iii) Prepare a documented response in any case of nonrelease.

(2) All employees are required to read this part to ensure familiarity with the requirements of the FOIA as implemented.

(c) *The General Counsel.* (1) Ensures uniformity in the FOIA legal positions within the DIA and with the Department of Defense.

(2) Secures coordination when necessary with the General Counsel, DoD, on denials of public requests.

(3) Acts as the focal point in all judicial actions.

(4) Reviews all final denials.

(d) The Director, and on his behalf, the Chief of Staff:

(1) Exercises overall staff supervision of the FOIA activities of the Agency.

(2) Acts as the responsible official for all denials of appeals.

APPENDIX A TO PART 292—UNIFORM AGENCY FEES FOR SEARCH AND DUPLICATION UNDER THE FREEDOM OF INFORMATION ACT (AS AMENDED)

Search + Review (only in the case of commercial requesters)

a. Manual search or review—

Type	Grade	Hourly rate
Clerical	E9/GG–08 and below	$12.00
Professional	O1–O6/GG–09–GG–15	25.00
Executive	O7/GG–16/ES1 and above	45.00

b. Computer search is based on direct cost of the central processing unit, input-output devices, and memory capacity of the actual computer configuration. The salary scale (equating to paragraph a. above) for the computer/operator/programmer determining how to conduct and subsequently executing the search will be recorded as part of the computer search.

c. Actual time spent travelling to a search site, conducting the search and return may be charged as FOIA search costs.

General

Pre-Printed material, per printed page	.02
Office copy, per page	.15
Microfiche, per page	.25

Aerial Photography Reproduction

Per Print	$2.50

d. See Chapter VI of DoD 5400.7–R for further guidance on fees.

PART 293—DEFENSE MAPPING AGENCY (DMA) FREEDOM OF INFORMATION ACT PROGRAM

Sec.
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293.2 Applicability.
293.3 Scope.
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APPENDIX A TO PART 293—SAMPLE LETTER COMPLYING WITH REQUEST
APPENDIX B TO PART 293—SAMPLE LETTER NOTIFYING REQUESTER OF EXTENSION OF TIME
APPENDIX C TO PART 293—SAMPLE LETTER DENYING REQUEST OR PARTIAL DENIAL FOR ACCESS TO OR FOR OBTAINING COPY OF RECORDS
APPENDIX D TO PART 293—SAMPLE LETTER NOTIFYING REQUESTER OF MISDIRECTED REQUEST

AUTHORITY: 5 U.S.C. 552.

SOURCE: 56 FR 26614, June 10, 1991, unless otherwise noted. Redesignated at 56 FR 58179, Nov. 18, 1991; 56 FR 59217, Nov. 25, 1991.

§ 293.1 Purpose.

(a) To prescribe Defense Mapping Agency (DMA) policy and procedures for handling requests under the Freedom of Information Act (FOIA).

(b) To implement 5 U.S.C. 552, and 32 CFR part 285.

[56 FR 26614, June 10, 1991. Redesignated and amended at 56 FR 58179, Nov. 18, 1991; 56 FR 59217, Nov. 25, 1991]

§ 293.2 Applicability.

The provisions of this part apply to all elements of DMA.

§293.3 Scope.

This part does not apply to requests from members of Congress, who are governed by DoD Directive 5400.4[1] or from the General Accounting Office, which is governed by DoD Directive 7650.1.[2]

§293.4 Definitions.

(a) *FOIA record.* (1) The products of data compilation, such as all books, papers, maps, and photographs, machine readable materials or other documentary materials, regardless of physical form or characteristics, made or received by DMA in connection with the transaction of public business and in DMA's possession and control at the time of the FOIA request, are considered agency records. For items not considered an agency record, see paragraph 1–402 of DoD 5400.7–R.[3]

(2) Normally, computer software, including source code, object code, and listings of source and object codes, regardless of medium are not agency records. (See paragraph 1–402 of DoD 5400.7–R for a complete definition of an agency record.)

(3) If unaltered publications and processed documents, such as regulations, manuals, maps, charts and related geophysical materials, are available to the public through an established distribution system with or without charge, the provisions of 5 U.S.C. 552(a)(3) normally do not apply, and they need not be processed under the FOIA. Normally, documents disclosed to the public by publication in the FEDERAL REGISTER also require no processing under the FOIA. In such cases, the requester should be directed to the appropriate source to obtain the record.

(b) *FOIA request.* A FOIA request is a written request for DMA records, made by any person, including a member of the public (U.S. or foreign citizen), an organization, or a business, but not including a Federal agency or a fugitive from law, that either explicitly or implicitly invokes the FOIA, DoD Directive 5400.7,[4] DoD 5400.7–R, or this part.

(c) *Pertinent records.* For the purpose of this part, records shall be considered pertinent if they concern either an individual who is, or foreseeably may become, involved in litigation involving the United States or a matter which is, or foreseeably may become, the subject of litigation involving the United States.

[56 FR 26614, June 10, 1991. Redesignated and amended at 56 FR 58179, Nov. 18, 1991; 56 FR 59217, Nov. 25, 1991]

§293.5 Policy.

(a) *Creating a record.* A record must exist and be in the possession and control of DMA at the time of a request to be charged for providing the existing record. (See paragraph 1–506 of DoD 5400.7–R.)

(b) *Public requests.* It is DMA policy to make available to the public the maximum amount of information concerning its operations and activities. Exemptions to this policy are stated in 5 U.S.C. 552 and DoD 5400.7–R. However, exempt records may be released to the public when their disclosure would not be inconsistent with the Privacy Act, DMA Instruction 5400.11,[5] or any other statutory requirements, and when no legitimate government purpose would be served by withholding them. DoD 5400.7–R provides additional policy guidance regarding the release of DMA records.

(c) *News media requests.* Requests from news media for records that would not be withheld under FOIA shall be released promptly in order to provide timely information to the public and eliminate the need to invoke the provisions of FOIA.

(d) *Contract requests.* Guidance for the release of information received from a non-U.S. Government source is contained in paragraph 5–207 of DoD 5400.7–R.

(e) *Classified records.* If classified records are requested, see additional

[1] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161

[2] See footnote 1 to §293.3

[3] See footnote 1 to §293.3

[4] See footnote 1 to §293.3

[5] Copies may be obtained by written request to the Defense Mapping Agency, Attn: AO (Stop A–2) 8613 Lee Highway, Fairfax, VA 22031–2138

guidance outlined in Chapter VII, DMA Manual 5200.1.[6]

(f) *FOUO records.* (1) Information that has not been given a security classification pursuant to the criteria of an Executive order, but which may be withheld from the public for one or more of the reasons cited in FOIA Exemptions 2 through 9 shall be considered as being for official use only. No other material shall be considered or marked FOR OFFICIAL USE ONLY (FOUO), and FOUO is not authorized as an anemic form of classification to protect national security interests.

(2) The prior application of FOUO markings is not a conclusive basis for withholding a record that is requested under FOIA. When such a record is requested, the information in it shall be evaluated to determine whether under current circumstances, FOIA exemptions apply in withholding the record or portions of it. If any exemption(s) apply, the record may be released when it is determined that no governmental interest will be jeopardized by its release.

(g) *Historical papers.* Records such as notes, working papers, and drafts retained as historical evidence of DoD component actions enjoy no special status apart from the exemptions under the FOIA.

(h) *Fees.* Chapter VI, DoD 5400.7–R, should be consulted before fees are assessed. Fee application is discussed in paragraph 6–101, fee restrictions in paragraph 6–102, fee waivers in paragraph 6–103 and fee assessment in paragraph 6–104.

[56 FR 26614, June 10, 1991. Redesignated and amended at 56 FR 58179, Nov. 18, 1991; 56 FR 59217, Nov. 25, 1991]

§ 293.6 Responsibilities.

(a) The Director, Public Affairs (DMA(PA)), is designated Freedom of Information Officer (FOIO) and is responsible for administering the FOIA program within DMA. The DMA(PA) is also denial authority for ''no record'' FOIAs. HQ DMA(PA) will:

(1) Receive, log, and determine administrative action required on all FOIA requests received at HQ DMA. If a record is held by DMA, the FOIO will forward a copy of the FOIA request to the custodian of the record for comments regarding releasability of the requested record. Following receipt of the custodian's comments and a copy of the requested documents, FOIO will review the comments, make a preliminary releasability determination, and prepare the initial response with coordination by HQ DMA(GC). If it is apparent to the custodian that the material will be released, two copies of the requested record will be forwarded to HQ DMA(PA) (one for release and one for record keeping).

(2) Prepare DD Form 2564, ''Annual Report—Freedom of Information Act,'' and forward it to the Office of the Assistant Secretary of Defense (Public Affairs) (OASD(PA)), as directed.

(b) The Chief of Staff, the Deputy General Counsel and the DMA Freedom of Information of Information Act Officer (DMA(PA)) are delegated authority to initially deny release of DMA records. This denial authority is also delegated to Component Directors and Associate General Counsels (AGC) as follows:

(1) AGC AC for the DMA Aerospace Center (DMAAC).

(2) AGC HTC for the DMA Hydrographic/Topographic Center (DMAHTC), DMA Combat Support Center (DMACSC), and the Defense Mapping School (DMS).

(3) AGC SC—for the DMA Reston Center (DMARC), DMA Systems Center (DMASC), and DMA Technical Services Center (DMATSC).

(4) AGC(KL) (DMA Contract Law Office) for contract related issues.

This authority may not be redelegated. A copy of all Component denial letters will be forwarded to HQ DMA(GC).

(c) General Counsel:

(1) HQ DMA(GC) is responsible for all appeals to FOIA actions and will provide HQ DMA(PA) with a copy of the initial appeal letter and DMA's response to it. The DMA Deputy Director (DD) and HQ DMA(GC) are delegated authority to make final determinations on appeals in accordance with the provisions of section 3, chapter V of DoD 5400.7–R.

(2) Coordination with Department of Justice:

[6] See footnote 5 to § 293.5(b)

(i) HQ DMA(GC) will notify the appropriate United States Attorney prior to the release of any FOIA request for records which are pertinent to pending litigation against the United States.

(ii) The office holding records sought under the FOIA shall notify the FOIO whether such records are pertinent to pending or potential litigation involving the United States. The records holder may request the assistance of Counsel in making a determination. The record holder shall advise the FOIO, in writing, whether any of the requested records have been determined to be pertinent to such litigation. Prior to release of such records, HQ DMA(PA) shall notify HQ DMA(GC) of the request. Component FOIOs shall notify the appropriate Associate General Counsel who will notify the United States Attorney, and shall coordinate the release of such records with HQ DMA(GC) and the Department of Justice.

(d) The DMA Director of Human Resources Management (HR) will establish and implement appropriate procedures for responding to any corrective actions recommended by the Office of Personnel Management in cases involving arbitrary or capricious withholding of records by DMA officials pursuant to section 4, chapter V, DoD 5400.7–R. HQ DMA(HR) and HQ DMA(PA) shall implement training and information requirements as outlined in chapter VII, DoD 5400.7–R.

(e) Component PAs will serve as FOIO at the Component level. Components without PAs will appoint a FOIO. Component FOIOs will:

(1) Receive, log, and determine administrative action required for all FOIA requests received at the Component, except those concerning DMA contracts. (See 293.6(e)(2)). If a record is held by the Component, the FOIO will forward a copy of the FOIA request to the custodian of the record for comments regarding releasability of the requested record. Following receipt of the custodian's comments and a copy of the requested documents, the FOIO will review the comments, make a preliminary releasability determination, and prepare the initial response for coordination by the appropriate Associate General Counsel as identified in §293.6(b). If it is apparent to the records custodian that the material will be released two copies of the requested record will be forwarded to HQ DMA(PA) (one for release and one for record keeping).

(2) Refer all FOIA requests concerning DMA contracts not held at the Component level to DMAHTC(PA), which has the responsibility for processing such requests and for interfacing with the DMA Directorate for Acquisition, Installations and Logistics HQ DMA(AQ) and the DMA Contract Law Office (KL) located at DMAHTC.

(3) Submit DD Form 22564, ''Annual Report—Freedom of Information Act'' to HQ DMA(PA) by January 15 each year. (See chapter VII of DoD 5400.7–R for guidance.)

(f) All DMA organizations will:

(1) Upon receipt of correspondence which either explicitly or implicitly invokes the FOIA immediately forward such correspondence to HQ DMA(PA) or the Component FOIO.

(2) The record holder will, upon receipt of a FOIA action, immediately review the requested records to determine the releasability or denial under the nine FOIA exemptions contained in 5 U.S.C. 552, as amended. Written comments regarding the releasability of records must be provided to the FOIO forwarding the action within the timeframes specified. Consultation with the FOIO, HQ DMA(GC), and Component AGCs as appropriate, is recommended.

[56 FR 26614, June 10, 1991. Redesignated and amended at 56 FR 58179, Nov. 18, 1991; 56 FR 59217, Nov. 25, 1991]

§293.7 Procedures.

(a) *Mandatory expeditious handling*—(1) *Record released.* The initial determination of whether to release a record upon request will normally be made and a decision reported to the requester within 10 working days. The record requested will be forwarded promptly, usually with the initial response, provided the requester has met the criteria for release. A sample letter is shown at appendix A to this part 293.

(2) *Interim response.* If the requested record cannot be made available within 10 working days, an interim response will be forwarded. Any delay beyond

the initial 10 working days may not exceed 10 additional working days and will be authorized only for the reasons described in section 2, chapter V, DoD 5400.7–R. A sample letter is shown at appendix B to this part 293.

(3) *No record.* When providing a ''no record'' response in answer to a request, the requester must be advised that such a response may be considered to be adverse, and if so interpreted, may be appealed using normal appeal procedures (see § 293.7(a)(4)). An additional records search shall be conducted based on the receipt of an appeal to a ''no record'' response as part of the appellate process.

(4) *Record denied.* If a request for a record is denied, in whole or in part, the requester will be given a written explanation for such a determination by an official designated in § 293.6. The requester will also be advised of his/her right to appeal the denial to the HQ DMA(GC) within 60 calendar days from the date of the denial letter. The letter will also include the name and address of the official responsible for the denial. A sample letter is at appendix C to this part 293. All denials must have benefit of a legal review prior to signature.

(5) *Request appealed.* Final determination on appeals will normally be made within 20 working days of receipt by the Deputy Director or General Counsel. If, due to unusual circumstances, additional time is needed to decide the appeal, the final determination may be delayed for the number of working days, not to exceed 10, which were not used as additional time for responding to the initial request. Final denials to provide a requested record will be made in writing by the Deputy Director or General Counsel in accordance with the appeal procedures prescribed in section 3, chapter V, DoD 5400.7–R.

(6) *Request referred.* If the record requested was originated by another agency or Component, it will be referred promptly to the originating agency or Component for disposition. The period allowed for responding to a request misdirected by the requester will not begin until it is received by the referral. A sample letter is shown at appendix D to this part 293.

(b) *Facilities for inspection and copying records.* (1) The handling of all requests from the public to inspect and copy records will be in strict accordance with the procedures prescribed in DoD 5400.7–R. Subject to exemptions contained in 5 U.S.C. 552, as amended, DMA will ensure easy access by the public for inspection and copying of records described in 5 U.S.C. 552, unless such records have been published and copies offered for sale. This inspection and copying will take place in appropriate rooms designated by HQ DMA(PA) and Components.

(2) HQ DMA and Components will make available current indexes which identify material described in paragraph (a)(2) of 5 U.S.C. 552, as amended.

(3) Use of DMA inspection and copying facilities by the public will be made by appointment only. Appointments will normally be requested by letter to FOIA officers or those acting in that capacity.

[56 FR 26614, June 10, 1991. Redesignated and amended at 56 FR 58179, 58180, Nov. 18, 1991; 56 FR 59217, Nov. 25, 1991]

§ 293.8 Information requirements.

Reporting requirements prescribed by this part have been assigned Report Control Symbol DD–PA(A)1365. (See chapter VII, DoD 5400.7–R.)

APPENDIX A TO PART 293—SAMPLE LETTER COMPLYING WITH REQUEST

Dear _____:

This is in response to your letter of _____ in which you requested _____ under the Freedom of Information Act, 5 U.S.C. 552, as amended.

After careful review and consideration of your request, we have determined that the record(s) you seek is(are) releasable and is(are) enclosed. Search and duplication costs have been waived. (See Chapter VI, DoD 5400–7–R for guidance on fee assessment.)

Sincerely,

(Signed)

_____

(Signature block of authorized official)

Enclosure.

As stated.

[56 FR 26614, June 10, 1991. Redesignated and amended at 56 FR 58179, 58180, Nov. 18, 1991; 56 FR 59217, Nov. 25, 1991]

APPENDIX B TO PART 293—SAMPLE LETTER NOTIFYING REQUESTER OF EXTENSION OF TIME

Dear _____:

This is in response to your letter of _____ in which you requested _____ under the Freedom of Information Act, 5 U.S.C. 552, as amended.

In order to process your request for _____ under FOIA, an extension of time will be necessary because of (use one of the following explanations):

a. The need to search for, collect, and properly examine a voluminous amount of separate and distinct records covered by your request;

b. The need to search for and collect the requested records from geographically separated elements within the Defense Mapping Agency;

c. The need for consultation, which will be conducted with all practicable speed, with another agency or geographically separated element of the Defense Mapping Agency having a substantial interest in the determination of your request;

d. Other.

A determination regarding your request will be made by
(date) _____.

Sincerely,
(Signed)

_____

(Signature block of authorized official)

NOTE: Specify a date that will not result in an extension of time more than the authorized 10 working days.

[56 FR 26614, June 10, 1991. Redesignated and amended at 56 FR 58179, 58180, Nov. 18, 1991; 56 FR 59217, Nov. 25, 1991]

APPENDIX C TO PART 293—SAMPLE LETTER DENYING REQUEST OR PARTIAL DENIAL FOR ACCESS TO OR FOR OBTAINING COPY OF RECORDS

Dear _____:

This is in response to your letter of _____ in which you requested _____ under the Freedom of Information Act, 5 U.S.C. 552, as amended.

After careful review and consideration of your request, we have determined that (the) (a portion of) document(s) you seek is (are) exempt from disclosure under FOIA. It is not releasable because it contains information that a (copy or paraphrase the applicable exemption set forth in DoD 5400.7–R).

The decision to withhold release of this (these) record(s) may be appealed in writing to the General Counsel, Defense Mapping Agency, within 60 calendar days from the date of this letter. You should include in your appeal any reasons for reconsideration you wish to present. A copy of this letter should be enclosed with your appeal, and forwarded to the Defense Mapping Agency, ATTN: GC (A–7), 8613 Lee Highway, Fairfax, VA 22031–2137.

NOTE: If this is a partial denial, add the paragraph below if copies of releasable records are to be sent to the requester.

Copies of the releasable portion of the requested record(s) (are enclosed) (will be sent promptly under separate cover).

Sincerely,
(Signed)

_____

(Signature block of authorized denial authority)

NOTE: Any deletions made in the records should be justified on the grounds of the exemptions provided in DoD 5400.7–R. This format should be varied to fit the situation.

[56 FR 26614, June 10, 1991. Redesignated and amended at 56 FR 58179, 58180, Nov. 18, 1991; 56 FR 59217, Nov. 25, 1991]

APPENDIX D TO PART 293—SAMPLE LETTER NOTIFYING REQUESTER OF MISDIRECTED REQUEST

Dear _____:

This is in response to your letter of _____ in which you requested _____ under the Freedom of Information Act, 5 U.S.C., section 552, as amended.

Your letter was misdirected to this Agency. We have forwarded same to (activity or agency to which the request was referred). You may expect to hear from them shortly.

For future reference, any other requests for similar records should be addressed to (name and address of agency).

Sincerely,
(Signed)

_____

(Signature block of authorized authority)

[56 FR 26614, June 10, 1991. Redesignated and amended at 56 FR 58179, 58180, Nov. 18, 1991; 56 FR 59217, Nov. 25, 1991]

PART 295—OFFICE OF THE INSPECTOR GENERAL, FREEDOM OF INFORMATION ACT PROGRAM

Sec.
295.1 Purpose.
295.2 Applicability.
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APPENDIX A TO PART 295—FOR OFFICIAL USE ONLY (FOUO)
APPENDIX B TO PART 295—EXEMPTIONS

AUTHORITY: 5 U.S.C. 552.

SOURCE: 56 FR 49694, Oct. 1, 1991, unless otherwise noted.

§ 295.1 Purpose.

This part establishes the policy and sets forth the procedures by which the public may obtain information and records from the Inspector General (IG) under the Freedom on Information Act (FOIA). It implements title 5, United States Code (U.S.C.) section 552, as amended by the Freedom of Information Reform Act of 1986, 32 CFR part 285 and 32 CFR part 286.

§ 295.2 Applicability.

The provisions of this part are applicable to all components of the Office of the Inspector General (OIG) and govern the procedures by which FOIA requests for information will be processed and records may be released under the FOIA.

§ 295.3 Definition of OIG records.

(a) The products of data compilation, such as books, papers, maps, and photographs, machine readable materials or other documentary materials, regardless of physical form or characteristics, made or received by an agency of the United States Government under Federal law in connection with the transaction of public business and in the OIG's possession and control at the time the FOIA request is made.

(b) The following are not included within the definition of the word ''record'':

(1) Objects or articles, such as structures, furniture, vehicles and equipment, whatever their historical value, or value as evidence.

(2) Administrative tools by which records are created, stored, and retrieved, if not created or used as sources of information about organizations, policies, functions, decisions, or procedures of the OIG. Normally, computer software, including source code, object code, and listings of source and object codes, regardless of medium are not agency records. (This does not include the underlying data which is processed and produced by such software and which may in some instances be stored with the software.) Exceptions to this position are outlined in § 295.4(c).

(3) Anything that is not a tangible or documentary record, such as an individual's memory or oral communication.

(4) Personal records of an individual not subject to agency creation or retention requirements, created and maintained primarily for the convenience of an OIG employee, and not distributed to any other OIG employee for their official use, or otherwise disseminated for official use.

(5) Information stored within a computer for which there is no existing computer program for retrieval of the requested information.

(c) In some instances, computer software may have to be treated as an agency record and processed under the FOIA. These situations are rare, and shall be treated on a case-by-case basis. Examples of when computer software may have to be treated as an agency record are:

(1) When the data is embedded within the software and can not be extracted without the software. In this situation, both the data and the software must be reviewed for release or denial under the FOIA.

(2) Where the software itself reveals information about organizations, policies, functions, decisions, or procedures of the OIG, such as computer models used to forecase budget outlays, calculate retirement system costs, or optimization models on travel costs.

(3) See appendix B to this part for further information on release determinations of computer software.

(d) If unaltered publications and processed documents, such as regulations, manuals, maps, charts, and related geophysical materials are available to the public through an established distribution system with or without charge, the provisions of 5 U.S.C. 552(a)(3) normally do not apply and they need not be processed under the FOIA. Normally, documents disclosed to the public by publication in the FEDERAL REGISTER also require no processing under the FOIA. In such cases, the OIG will direct the requester

to the appropriate source to obtain the record.

§295.4 Other definitions.

(a) *FOIA Request.* A written request for OIG records, made by any person, including a member of the public (U.S. or foreign citizen), an organization, or a business, but not including a Federal agency or a fugitive from the law that either explicitly or implicitly invokes the FOIA, 32 CFR part 285 and 32 CFR part 286, or this part.

(b) *Initial Denial Authority (IDA).* The official who has been granted authority to withhold records requested under the FOIA, for one or more of the nine categories of records exempt from mandatory disclosure, by the head of the OIG Component designated by the IG to administer the IG FOIA Program.

(c) *Appellate Authority.* The IG or his or her designee having jurisdiction for this purpose over the record.

(d) *Administrative Appeal.* A request by a member of the general public, made under the FOIA, asking the appellate authority of the OIG to reverse an IDA decision to withhold all or part of a requested record or an IDA decision to deny a request for waiver or reduction of fees.

(e) *Public Interest.* Public interest is official information that sheds light on an agency's performance of its statutory duties because the information falls within the statutory purpose of the FOIA of informing citizens about what their Government is doing. That statutory purpose, however, is not fostered by disclosure of information about private citizens that is accumulated in various governmental files that reveals little or nothing about an agency's or official's own conduct.

§295.5 Policy.

(a) *General.* (1) It is the policy of the OIG to promote public trust by conducting its activities in an open manner, and by providing the public with the maximum amount of accurate and timely information concerning those activities, consistent with the need for security and adherence to other requirements of law and regulation.

(2) Records not specifically exempt from disclosure under the FOIA or prohibited by statutory or other regulatory requirements will, upon request, be made readily accessible to the public.

(3) Records that are specifically exempt from disclosure under the FOIA or prohibited by statutory or other regulatory requirements will be withheld from the public only upon the determination of the initial Denial Authorities identified in §295.6 of this part, or the designated Appellate Authority.

(b) *News Media Requests.* (1) Requests from news media representatives for records that would not be withheld if requested under the FOIA or prohibited from release under other statutory or regulatory authority, will be released promptly by the OIG element originating the record.

(2) Requests from news media representatives for records that are exempt from release under the FOIA, or prohibited from release under other statutory or regulatory authority will be provided to the Freedom of Information Act and Privacy Act (FOIA/PA) Division, Office of the Assistant Inspector General for Investigations, along with the requested records, for review and a release determination and the news media representatives will be so advised.

(3) Extracts of the nonexempt portions of such records may be prepared in response to a specific request from a news media representative but shall be coordinated for release with the FOIA/PA Division. Extracts shall be prepared in accordance with the sample at appendix to §295.5.

(c) *Control System.* (1) A request for OIG records that invokes the FOIA shall enter a formal control system designed to ensure compliance with the FOIA. A release determination must be made and the requester informed within the time limits specified in this part.

(2) Any request for OIG records that either explicitly or implicitly cites the FOIA will be processed under the provisions set forth in this part, unless otherwise required by §295.5(m) of this part. All such requests shall be forwarded to the FOIA/PA Division.

(d) *Promptness of Response.* (1) A request from a member of the public for OIG records will be responded to within

10 working days of the date of its receipt in the FOIA/PA Division, unless a delay is authorized.

(2) Receipt of the request will be acknowledged and the requester will be promptly advised of any additional information needed to assure compliance with procedures established in this part. In the event there are a significant number of requests, e.g., 10 or more, the requests will be processed in order of date of receipt. This does not preclude the OIG from completing action on a request which can be easily answered, regardless of its ranking within the order of receipt. The OIG may expedite action on a request regardless of its ranking within the order of receipt upon a showing of exceptional need or urgency. Exceptional need will be determined at the discretion of the OIG.

(3) These provisions also apply to a request received on referral from another DoD Component or government agency and time limits will begin on the date of receipt in the OIG FOIA/PA Division.

(e) *Use of Exemptions.* It is OIG policy to make records publicly available unless they qualify for exemption under one or more of the nine exemptions. The OIG may elect to make a discretionary release, however, a discretionary release is generally not appropriate for records exempt under exemptions (b)(1), (b)(3), (b)(4), (b)(6) and (b)(7)(C). Exemptions (b)(4), (b)(6) and (b)(7)(C) can not be claimed when the requester is the submitter of the information. The categories of records which are exempt from release are identified in appendix B of this part.

(f) *For Official Use Only (FOUO).* The use of FOUO markings will be accomplished in accordance with the provisions of appendix A of this part, and exemptions (b)(2) through (b)(9) as set forth in appendix B of this part. Additional guidance will be provided to OIG elements, as needed, by the FOIA/PA Division.

(g) *Public Domain.* Nonexempt records released under the authority of this part are considered to be in the public domain. Such records may also be made available in the OIG Reading Room located in the FOIA/PA Division. Exempt records released pursuant to this part or other statutory or regulatory authority, however, may be considered to be in the public domain only when their release constitutes a waiver of the FOIA exemption. When the release does not constitute such a waiver, such as when disclosure is made to a properly constituted advisory committee or to a Congressional Committee, or to an individual to whom the record pertains, the released records do not lose their exempt status. Also, while authority may exist to disclose records to individuals in their official capacity, the provisions of this part apply if the same individual seeks to use the records in a private or personal capacity.

(h) *Creation of Records.* (1) A record must exist and be in the possession or control of the OIG at the time of the request to be considered subject to release under this part and the FOIA. Mere possession of a record does not presume OIG control and such records, or identifiable portions thereof, will be referred to the originating agency for a release determination and/or direct response to the requester. There is no obligation to create nor compile a record to satisfy a FOIA request; however, the OIG may compile a new record when doing so would result in a more useful response to the requester, or be less burdensome to the OIG than providing the existing records, and the requester does not object. The cost of creating or compiling such a record will not be charged to the requester unless the fee is equal to, or less than, the fee that would be charged for providing the existing record. Any fee assessments will be made in accordance with chapter IV of DoD 5400.7–R (32 CFR part 286).

(2) With respect to electronic data, the issue of whether records are actually created or merely extracted from an existing database is not always readily apparent. Consequently, when responding to FOIA requests for electronic data where creation of a record, programming, or particular format are questionable, the OIG will apply a standard of reasonableness. In other words, if the capability exists to respond to the request, and the effort would be a business as usual approach, then the request will be processed.

However, the request will not be processed where the capability to respond does not exist without a significant expenditure of resources, thus not be a normal business as usual approach.

(i) *Describing Records Sought.* (1) It is the responsibility of the member of the public requesting records to adequately identify the records. A member of the public must describe the records sought with sufficient information to permit the OIG to locate the records with a reasonable amount of effort, since the FOIA does not authorize ''fishing expeditions.'' Descriptive information about a record may be divided into two broad categories:

(i) Category I is file-related and includes information such as type of record (for example, memorandum), title, index citation, subject area, date the record was created, and originator.

(ii) Category II is event-related and includes the circumstances that resulted in the record being created or the date and circumstances surrounding the event the record covers.

(2) When the OIG receives a request that does not ''reasonably describe'' the requested record with sufficient Category I information to permit the conduct of an organized nonrandom search, or sufficient Category II information to permit inference of the Category I elements needed to conduct such a search, the requester will be notified in writing of the defect and of the need for more specific identification of the records sought. The specificity letter will provide guidance in identifying the records sought and in reformulating the request to reduce the burden on the OIG in complying with the FOIA. The OIG is not obligated to act on requests until an adequate description is provided by the requester.

(3) When the OIG receives a request in which only personal identifiers, e.g., name and Social Security Account Number, are provided in connection with the request for records concerning the requester, only records retrievable by personal identifiers will be searched. The search for such records may be conducted under Privacy Act procedures. No record will be denied that is releasable under the FOIA.

(j) *Referrals.* (1) The OIG has the responsibility of protecting the identity of individuals who make protected disclosures of wrongdoing on the part of others, under the ''Whistleblower Protection Acts''. When a FOIA requester has identified himself/herself as the ''Whistleblower'' in the matter for which records are being sought, in accordance with § 295.7(b)(3) of this part, or the FOIA/PA Division can reasonably determine that the FOIA requester is the ''Whistleblower'', the individual's identity will continue to be protected in all of the following circumstances involving referrals, except to the extent that such protection will impede the release of responsive records to the requester. In such event, the requester will be advised of the impedance and offered the option of allowing himself/herself to be identified solely for the purpose of obtaining maximum release of records responsive to the FOIA request. If the requester chooses to continue anonymity, the request will be processed only to the extent that will allow continued protection of the individual's identity.

(2) The OIG will refer a FOIA request to another DoD Component or to a Government agency outside the DoD when the OIG has no records responsive to the request, but believes the other DoD Component or outside agency may have, and the other DoD Component or outside agency has confirmed that it holds the record. When the other DoD Component or outside agency agrees to the referral, the requester will be advised of the referral and that the OIG has no responsive records, with the following exceptions:

(i) If it is determined by the other DoD Component or outside agency that the existence or nonexistence of the record itself is classified, the OIG will inform the requester only that the OIG has no responsive record and no referral will take place.

(ii) If the record falls under one or more of the ''Exclusions'' under the FOIA (see appendix B of this part), as determined by the other DoD Component or outside agency, the OIG will advise the requester only that the OIG has no responsive record and no referral will take place.

(3) The OIG will refer a record, or portions of a record that holds but that was originated by another DoD Component or outside agency, or for a record that contains substantial information that originated with another DoD Component or outside agency, to that Component or agency (unless the agency is not subject to the FOIA) for a release determination and/or direct response to the requester. In any such case, direct coordination will be effected and concurrence obtained from the other Component or agency prior to the referral. A copy of the record will be provided to the Component or agency with the referral, and the requester will be notified of the referral, consistent with any security requirements or ''Exclusion'' provisions of the FOIA. The OIG will not, in any case, release or deny such records without prior consultation with the other DoD Component or outside agency. If the requester is the ''Whistleblower'', the record or portion of the record will be provided to the DoD Component or agency, with a request for a release determination and return of the record to the OIG for response to the requester.

(4) The OIG will refer a FOIA request for a classified record that it holds, but did not originate, to the originating DoD Component or outside agency (unless the agency is not subject to the FOIA). If the record originated with the OIG but the classification is derivative, i.e., contains classified information that originated elsewhere and was incorporated in the OIG record, the record will be referred to the originating authority with a recommendation for release; or, after consultation with the originating authority, with a request for a declassification review and/or release determination and return of the record. If the requester is the ''Whistleblower'', the record will be provided to the originating authority with a request for a release determination and return of the record to the OIG for response to the requester.

(5) The OIG may also refer a request for a record that was originated by the OIG for the use of another DoD Component or outside agency, to that Component or agency with a recommendation for release, after any necessary coordination. The requester will be notified of such action consistent with any security requirements or ''Exclusion'' provisions of the FOIA.

(6) A FOIA request for investigative, intelligence, or any other type of record on loan from another DoD Component or outside agency to the OIG for a specific purpose will be referred to the DoD Component or outside agency that provided the records, if the records are restricted from further release and so marked. However, if for investigative or intelligence purposes, the outside Component or agency desires anonymity as determined through coordination, the OIG will respond directly to the requester.

(7) A FOIA request for a record, or portions of a record, held by the OIG, that originated with a non-U.S. government agency that is not subject to the FOIA, will be responded to by the OIG.

(8) Notwithstanding anything to the contrary in this section, all requesters seeking National Security Council (NSC) or White House documents will be advised that they should write directly to the NSC or White House for such documents. Should the requester insist upon an OIG search for these records, the OIG will conduct an appropriate search pursuant to the FOIA. OIG/DoD documents in which the NSC or White House has a concurrent reviewing interest will be forwarded by the FOIA/PA Division to the Director, Freedom of Information and Security Review (DFOISR), Office of the Assistant Secretary of Defense (Public Affairs) (OASD(PA)), which shall effect coordination with the NSC or White House, and return the documents to the originating agency after NSC review and determination. The FOIA/PA Division will forward any documents found in OIG files that are responsive to the FOIA request to DFOISR, OASD(PA) for their coordination with the NSC or White House, and return to the OIG with a release determination for final processing of the request.

(9) On occasion, the OIG receives FOIA requests for General Accounting Office (GAO) documents containing OIG information. Even though the GAO is outside of the Executive Branch, and not subject to the FOIA, all FOIA requests for GAO documents containing DoD information received directly

from the public, or on referral from the GAO, will be processed under the provisions of the FOIA.

(k) *Authentication of Records.* Records provided under this part will be authenticated, upon written request, to fulfill an official Government or other legal function. This service is in addition to that required under the FOIA and is not included in the FOIA fee schedule; therefore, a fee of $5.20 may be charged for each such authentication.

(l) *Records Management.* FOIA records shall be maintained and disposed of in accordance with Inspector General Defense Manual (IGDM) 5015.2,[1] ''Records Management Program''.

(m) *Relationship Between the FOIA and the Privacy Act (PA).* Not all requesters are knowledgeable of the appropriate statutory authority to cite when requesting records. In some instances, they may cite neither Act, but will imply one or both Acts. For these reasons, the following guidelines are provided to ensure that requesters receive the greatest amount of access rights under both Acts:

(1) Where requesters seek records about themselves which are contained in a PA system of records and cite or imply the PA, the OIG will process their requests under the provisions of the PA.

(2) Where requesters seek records about themselves which are not contained in a PA system of records and cite or imply the PA, the requests will be processed under the provisions of the FOIA, since they have no access under the PA.

(3) Where requesters seek records about themselves that are contained in a PA system of records and cite or imply the FOIA or both Acts, the requests will be processed under the time limits of the FOIA and the exemptions and fees of the PA. This is appropriate since greater access will generally be received under the PA.

(4) Where requesters seek agency records (as opposed to personal records) and cite or imply the PA and FOIA, or where requesters cite or imply only the FOIA, the requests will be processed under the FOIA.

(5) Requesters will be advised in the final responses to their requests why a particular Act was used in processing their requests.

(n) *Index and ''(a)(2)'' Materials.* (1) No order, opinion, statement of policy, interpretation, staff manual or instruction (except as indicated below) issued after July 4, 1967, which is not indexed and either made available or published, may be relied upon, used, or cited as a precedent against any member of the public unless that individual has actual and timely notice of the contents of such materials. Such actual and timely notice may not be after-the-fact; i.e., after the individual has suffered some adverse effect. Materials identified as ''(a)(2)'' are:

(i) Final opinions, including concurring and dissenting opinions, and orders made in the adjudication of cases, as defined in 5 U.S.C. 551, that may be cited, used, or relied upon as precedents in future adjudications.

(ii) Statements of policy and interpretations that have been adopted by the agency and are not published in the FEDERAL REGISTER.

(iii) Administrative staff manuals and instructions, or portions thereof, that establish OIG policy or interpretations of policy that affect a member of the public. This provision does not apply to instructions for employees on tactics and techniques to be used in performing their duties, or to instructions relating only to the internal management of the OIG. Examples of manuals and instructions not normally made available are:

(A) Those issued for audit, investigation, and inspection purposes, or those that prescribe operational tactics, standards of performance, or criteria for defense, prosecution, or settlement of cases.

(B) Operations and maintenance manuals and technical information concerning munitions, equipment, systems, and foreign intelligence operations.

(2) Thus, materials considered to meet the preceding definition of the FOIA ''(a)(2)'' requirements will be made available for public inspection

[1] Copies may be obtained, if needed, from the Information and Operations Support Directorate, Publications Management Branch, room 420, 400 Army Navy Drive, Arlington, VA 22202–2884.

and copying upon written request to the address indicated in § 295.7(b)(1) of this part, unless such materials have been published and are offered for sale or subscription. Upon receipt of the request, arrangements will be made at a time convenient to both the requester and the OIG, for the review and copying. If the publishing activity is out of stock of the published, for sale material and does not intend to reprint, then the preceding procedure will apply to the published material as well.

(3) When appropriate, the cost of copying any ''(a)(2)'' materials will be imposed upon the individual requesting the copy in accordance with chapter VI of DoD 5400.7–R (32 CFR part 286).

(4) The OIG will prepare an index of ''(a)(2)'' materials, or supplement thereto, arranged topically or by descriptive words rather than by case name or numbering system so that members of the public can readily locate material. Separate case name and numbering arrangements may be added for OIG convenience.

(5) The IG has determined that it is not practical nor feasible to prepare an index of the ''(a)(2)'' materials on a quarterly basis, nor to publish the annual ''IG Publications Index'' in the FEDERAL REGISTER because of the volume. This index is available to the public at no cost upon written request to: Acquisition and Resources Administration Directorate, Publications Management Branch, room 413, 400 Army Navy Drive, Arlington, Virginia 22202–2884. It may be necessary to deny all or portions of some documents listed in the index that fall within one or more exemptions of the FOIA.

(o) *Fees and Fee Waivers.* (1) Fees will be assessed under the FOIA as set forth in chapter VI of DoD 5400.7–R (32 CFR part 286).

(2) Requesters must indicate their willingness to pay fees in their initial FOIA request. If a waiver of fees is requested, a statement regarding their willingness to pay fees in the event a waiver or reduction of fees is denied is still required. Any requests not containing a statement regarding a willingness to pay assessed fees will not be processed and the requester will be so advised.

(3) Fees will not be required to be paid in advance of processing the request for release of the records requested except:

(i) When the requester is known to be in default of payment of fees incurred in connection with a previous request.

(ii) When the total amount of estimated fees assessable to the requester exceeds $250.00 and waiver is not appropriate, a ''good faith'' deposit of half of the amount of the estimated fees may be required before completing the processing of the request, or providing the requested records, in the case of a requester with no history of payment. Where the requester has a history of prompt payment, the OIG will notify the requester of the likely cost and obtain satisfactory assurance of full payment.

(4) When the OIG has completed all work on a request and the documents are ready for release, advance payment may be requested before forwarding the documents if there is no payment history on the requester. Where there is a history of prompt payment by the requester, the OIG will not hold documents ready for release pending payment.

(5) Fee waivers will be granted on a case-by-case basis when the OIG determines that waiver or reduction of the fees is in the public interest because furnishing the information is likely to contribute significantly to public understanding of the operations or activities of the OIG and the Department of Defense and is not primarily in the commercial interest of the requester. In any request for waiver of fees, the requester must provide sufficient information to enable the IDA to make a proper determination of whether or not the fees should be waived.

(6) In cases where the requester fails to provide sufficient persuasive information upon which to make a determination for waiver of the fees, the requester shall be so informed and given the opportunity to submit additional justification. Absent such justification, the requester may be required to pay fees appropriate to his/her category, if provision of the information is determined not to be in the public interest or benefit.

(7) Payments of fees must be by check or U.S. Postal money order made payable to the Treasurer of the United States. Cash payments cannot be accepted.

(p) *Appeals and Judicial Action.* (1) If the designated IDA declines to provide a requested record because the official considers it exempt from disclosure under one or more of the nine exemptions of the FOIA, that decision may be appealed by the requester to the designated Appellate Authority. The appeal should be submitted in writing by the requester within 60 calendar days after the date of the initial denial letter. In cases where incremental release actions have been taken on an initial request, the time for the appeal will not begin until the date of the last denial of release letter.

(2) A ''no record'' finding may be considered to be adverse, and if so interpreted by the requester, may be appealed using the normal OIG appeal procedures. The OIG will conduct an additional search of files, based on the receipt of an appeal to a ''no record'' response, as a part of the appellate process.

(3) All final decisions rendered on appeals will be made to the requesters in writing by the Appellate Authority, after consultation with the Office of General Counsel (OGC) representative to the OIG, and other appropriate OIG elements.

(4) Final determinations on appeals normally shall be made within 20 working days after receipt. The appeal will be deemed to have been received when it reaches the FOIA/PA Division, for administrative processing on behalf of the Appellate Authority. Misdirected appeals are to be referred expeditiously to the FOIA/PA Division.

(5) A requester will be deemed to have exhausted his/her administrative remedies after he/she has been denied the requested record or waiver/reduction of fees, by the designated Appellate Authority, or when the OIG FOIA/PA Division fails to respond to the request within the time limits prescribed by the FOIA, DoD 5400.7–R (32 CFR part 286) and this part. The requester may then seek judicial action from a U.S. Distrist Court in the district in which the requester resides, has a principal place of business, in the district in which the record is located, or in the District of Columbia.

(6) Records that are denied on appeal shall be retained for a period of six years, in accordance with IGDM 5015.2,[2] ''Records Management Manual,'' to meet the statute of limitations of claims requirements.

APPENDIX TO §295.5

EXTRACT

The material contained herein is an Extract of information from (Name of Original Document), which has been determined to be in the public domain. The remaining material not provided herein may be requested under the provisions of the Freedom of Information Act.

§295.6 Responsibilities.

(a) The Assistant Inspector General (AIG) for Investigations is responsible for the overall implementation and administration of the FOIA program in the OIG, and for the designation of the IDAs.

(b) The Director, Investigative Support is designated as an IDA and is responsible for the overall operation of the FOIA program in the OIG.

(c) The Assistant Director, FOIA/PA Division, Investigative Support Directorate is designated as an IDA and will:

(1) Serve as the point of contact on all FOIA matters for the OIG.

(2) Coordinate and respond to all requests received from the public for records in accordance with the policy established and procedures set forth in this part, and in all applicable DoD directives, regulations and instructions.

(3) Coordinate requests received from the public for records to the extent considered necessary, with the DFOISR, OASD(PA), other DoD Components, other Federal agencies, and other OIG elements.

(4) Arrange for the collection of fees are prescribed by the policy as established in this part.

(5) Maintain the FOIA case files in accordance with IGD Manual (IGDM) 5015.2,[3] ''Records Management Program''.

[2] See footnote 1 to §295.5(1).

[3] See footnote 1 to §295.5(1).

(6) Recommend action to be taken on all appeals of fees, appeals of fee waiver denials, and appeals of denials to access of records requested, to the Appellate Authority.

(7) Review OIG publications to assure that those which meet the FOIA ''(a)(1)'' and ''(a)(2)'' requirements for publication in the FEDERAL REGISTER are prepared in proper form and transmitted promptly for publication in the FEDERAL REGISTER.

(8) Maintain copies of material required to be made available under the ''(a)(2)'' provisions of the FOIA for examination and copying by the public, and provide the required FOIA Reading Room for use by the public in doing so.

(9) Establish a training program for OIG personnel who are involved in preparing responsive records for release to the public under the FOIA.

(10) Prepare the Annual Report on the FOIA for forwarding to DFOISR, OASD(PA) as required by 32 CFR part 286.

(d) The AIGs and the Director, IG Regional Office-Europe will:

(1) Comply with, and assure compliance by all of their subcomponents with, the policy established and the procedures set forth in this part.

(2) Appoint a Point of Contact (POC) to interact with the FOIA/PA Division on all FOIA matters, and notify the FOIA/PA Division of any changes in the appointment.

(3) Provide all records responsive to a request as directed by the FOIA/PA Division.

(4) Recommend release/denial action to be taken, indicate applicable exemptions, and provide appropriate rationales.

(e) The Freedom of Information Act Appellate Authority is designated by the Inspector General and will:

(1) Determine the action to be taken on all appeals made by the public of fees, fee waiver/reduction denials, and access denials in accordance with chapter V, section 3, of DoD 5400.7–R (32 CFR part 286).

(2) Coordinate all appellate decisions with the Office of General Counsel, Assistant General Counsel (Fiscal and Inspector General).

(f) The AIG for Administration and Information Management will:

(1) Prepare annually an index of IG publications, statements and documents pertaining to any matter issued, adopted, or promulgated and required to be made available to the public by publication or sale.

(2) Establish and implement any necessary procedures to effect disciplinary action recommended by the Special Counsel of the Merit Systems Protection Board in cases involving the arbitrary and capricious withholding of information and records requested under the FOIA as required by chapter V, section 4, of DoD 5400.7–R (32 CFR part 286).

§ 295.7 Procedures.

(a) *General.* The provisions of the FOIA are reserved for persons with private interests as opposed to Federal governmental agencies seeking official information. The procedures for making requests, whether as a private party or governmental representative, are set forth below.

(b) *Requests From Private Parties.* (1) Members of the public may make requests in writing for copies of records, or permission to examine or copy records, directly to the FOIA/PA Division addressed to: Assistant Director, FOIA/PA Division, OAIG for Investigations, 400 Army Navy Drive, Arlington, VA 22202–2884.

(2) Requests must identify each record sought with sufficient specificity to enable the custodian to locate the record with a reasonable amount of effort. Requesters should provide such information as where the record originated and by whom, its subject matter, its approximate date or timeframe, which element of the OIG is likely to have custodianship, or any other similar information that would assist in locating the record. Requests must also contain a statement regarding willingness to pay fees.

(3) A request from an individual who made an allegation of wrongdoing to the IG, or any protected disclosure under the ''Whistleblower Protection Acts,'' and who is seeking the results of any investigation or inquiry conducted into the allegation, should identify him/herself as the ''Whistleblower'' in the request. The request should indicate whether he/she wishes to continue

anonymity, should be notarized to avoid the risk of losing the anonymity, and should contain a statement regarding willingness to pay fees.

(4) A request for a personal record or investigative record pertaining to the individual making the request, that is in a system of records whether nonexempt or exempted from mandatory release under the Privacy Act, must be notarized to avoid the risk of invasion of personal privacy. In any such request, the individual may designate another individual to act as his/her representative in making the request and in receiving the records on his/her behalf; however, the authorization must be in writing, specifically name the representative and kinds of records authorized to be provided, and be notarized to avoid the risk of invasion of personal privacy.

(5) A request for a record that was obtained from a non-U.S. Government source, and that is subject to exemption (b)(4) under the FOIA, will be released to the individual or firm making the request without further exception, if:

(i) The individual or firm is clearly the submitter of the information and/or is clearly acting on behalf of the submitter in making the request.

(ii) The request contains a statement from a company official or other representative of the submitter clearly capable of certifying that the requester is acting on behalf of the submitter of the information in making the request; i.e., a Vice-President certifies on his/her company letterhead that XYZ Law Firm is acting on behalf of the company in requesting copies of documents submitted to the government by the company. A mere assertion by the requester that the requester is acting on behalf of the submitter in making the request will not be honored, if it cannot be readily verified through records available to the OIG.

(c) *Requests From Government Officials.* (1) Requests from officials of State, or local Governments for OIG records will be considered the same as any other requester, except where the request is for a personal record in a system of records subject to the Privacy Act, in which case the provisions of DoD 5400.11–R (32 CFR part 286a) apply.

(2) Requests from members of Congress, or their staffs, not seeking records on behalf of a Congressional Committee, Subcommittee, or either House sitting as a whole, will be considered the same as any other requester. Requests from members of Congress, or their staffs, made on behalf of their constituents will also be considered the same as any other requester.

(3) Requests from officials of foreign governments shall be considered the same as any other requester. Requests from officials of foreign governments that do not invoke the FOIA shall be referred to appropriate foreign disclosure channels and the requester so notified.

(d) *Misdirected Requests.* Requests misdirected to other OIG elements will be forwarded promptly to the FOIA/PA Division. The statutory period allowed for response to a request misdirected by the requester shall not begin until the request is received in the FOIA/PA Division. The OIG components and field elements receiving misdirected requests should advise the requester that the request is being forwarded to the office having the authority to act on and respond to the request.

(e) *Privileged Release to Officials.* (1) Subject to DoD 5200.1–R,[4] ''Information Security Program Regulation'', applicable to classified information, DoD Directive 5400.11 (32 CFR part 286a), applicable to personal privacy or other applicable law, records exempt from release under appendix B of this part may be authenticated and released, without requiring release to other FOIA requesters, in accordance with OIG rules to U.S. Government officials requesting them on behalf of Federal governmental bodies, whether legislative, executive, administrative, or judicial, as follows:

(i) To a Committee or Subcommittee of Congress, or to either House sitting as a whole in accordance with DoD Directive 5400.4,[5] ''Provision of Information to Congress,'' and this part.

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[4] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

[5] See footnote 4 to § 295.7(e).

(ii) To the Federal courts whenever ordered by officers of the court as necessary for the proper administration of justice

(iii) To other Federal agencies both executive and administrative as determined by the IG or the IG's designee.

(2) On all such releases, the officials receiving records under the above provisions will be informed in writing that the records are exempt from public release under the FOIA and are privileged. The OIG components will also advise the receiving officials of any special handling instructions.

(f) *Processing Requests.* (1) Upon receipt in the FOIA/PA Division, a request for records will be assigned a control number, logged, and reviewed for adequacy and compliance with the procedures for submitting requests outlined in § 295.7(b).

(2) If the request does not meet the adequacy of description test, contain a statement regarding fees, or contain a notarized signature/authorization or a certification of submitter representation, if applicable; the request will be acknowledged as having been received and the requester will be notified of the defect and advised of the means necessary to correct the defect and comply with the procedures. If the requester does not correct the defect within the time allowed (generally 30 calendar days) in the defect notice, the following actions will be taken:

(i) Where the request does not meet the adequacy of description test, the request will be administratively closed and the requester so advised.

(ii) Where the request meets the adequacy of description test but fails to comply with the remaining procedural requirements, and the time allowed in the defect notice for compliance by the requester has elapsed, the request will be processed to the extent possible consistent with DoD 5400.7–R (32 CFR part 286) and this part.

(3) When it is determined that a request complies with all applicable procedures, the necessary search and collection of responsive records will be initiated through the Component(s) of the OIG likely to have custodianship of the sought records.

(4) Where the appropriate OIG Component has determined that no record responsive to the request exists, the POC for the OIG Component will so advise the FOIA/PA Division within the due date assigned to the POC. The requester will be notified in writing by the IDA, within 10 working days from the date of receipt of the request, that no responsive records exist; and, of the right and means by which to appeal the no record response as an adverse determination.

(5) When it is determined that the records sought are part of an ongoing audit, inspection, or investigation, the requester will be advised of such (subject to the ''Exclusions'' under the FOIA identified in appendix B, of this part). The requester will be informed of the estimated timeframe for completion of the ongoing audit, inspection, or investigation and asked if he/she wishes to withdraw the request and resubmit it upon completion of the ongoing process. If the requester chooses not to withdraw the request, the processing will be continued and an appropriate release determination will be made, consistent with the statutory provisions of the FOIA.

(6) When responsive records have been located, the POC for the OIG element having the records will forward the records to the FOIA/PA Division with a recommendation for release on SD Form 472, ''Request Information Sheet,'' along with a completed DD Form 2086. ''Record of Freedom of Information (FOI) Processing Cost.'' The records will be reviewed and an initial determination to release or deny will be made.

(g) *Initial Determinations.* (1) The initial determination of whether to make a record available upon request may be made only by the IDAs designated by the IG in this part. Further, the number of IDAs designated by the IG will be limited and based on a balance of the goals of centralization of authority to promote uniform decisions and decentralization to facilitate responding to each request within the time limitations of the FOIA.

(2) Other than statutory denials, there are six other reasons for not complying with a request for a record:

(i) The request is transferred to another DoD Component or Federal agency.

(ii) The request is withdrawn by the requester.

(iii) The information requested is not a record within the meaning of the FOIA and § 295.3(a) of this part.

(iv) A record has not been described with sufficient particularity to enable those that OIG to locate it by conducting a reasonable search.

(v) The requester has failed unreasonably to comply with the procedural requirements, including the payment of fees, imposed by 32 CFR part 286 and this part.

(vi) The OIG has determined through knowledge of its files and reasonable search efforts that it neither controls nor possesses the requested record.

(3) Initial determinations to release or deny a record normally will be made and the decision reported to the requester within 10 working days, provided that the requester has complied with the preliminary procedural requirements.

(4) When requests are denied in whole in part, the requester will be informed in writing of the reasons for the denial, the identity of the official making the denial, the right of appeal of the decision, and the identity and address of the official to whom an appeal may be made.

(5) The explanation of the substantive basis for a denial will include specific citation of the statutory exemption applied under provisions of the FOIA. Mere reference to a classification or to a ''For Official Use Only'' marking will not constitute a basis for invoking an exemption. When the initial denial is based in whole or in part on a security classification, the explanation will include a summary of the applicable criteria for the classification.

(h) *Denial Tests.* (1) To deny a requested record that is in the possession and control of the OIG, it must be determined that the record is included in one or more of the nine categories of records exempt from mandatory disclosure as provided by the FOIA and outlined in chapter III of DoD 5400.7–R (32 CFR part 286), and this part. No OIG record may be otherwise withheld from the public, whether in whole or in part, except as determined by the designated IDAs in accordance with FOIA exemptions.

(2) Although portions of some records may be denied, the remaining reasonably segregable portions will be released to the requester when it can be assumed that a skillful and knowledgeable person could not reconstruct the excised information. When a record is denied in whole, the IDA will advise the requester of that determination.

(i) *Extension of Time.* (1) In unusual circumstances, responsive records may be located by the office having custodianship over the record, but the records can not be made immediately available to the FOIA/PA Division, or the FOIA/PA Division can not make them immediately available to the requester. The unusual circumstances justifying the delay will be the result of the following:

(i) The requested record is located in whole or in part at another geographic location than that of the FOIA/PA Division.

(ii) The request requires the collection and/or evaluation of a substantial number of records.

(iii) Consultation is required with other DoD Components or agencies having substantial interest in the subject matter to determine whether the records requested are exempt from disclosure in whole or in part under provisions of the FOIA and this part or should be released as a matter of discretion.

(2) In any such event, efforts will be made to negotiate an informal extension in time with the requester by the FOIA/PA Division. If the requester chooses not to agree informally to an extension in time, a written explanation of the reasons for delay will be provided to the requester and the requester will be asked to await a substantive response by an anticipated date.

(j) *Fee Assessments.* (1) When it is determined that the fees assessable to a request undergoing final processing may exceed the limit established by the requester, or may be in excess of $250, the processing will be discontinued and the requester notified so that he/she may advise of his/her desire to continue.

(2) If a ''good faith'' deposit is required, the requester will be allowed a reasonable time (generally 30 calendar days) in which to provide payment. If the requester fails to provide the ''good faith'' deposit within the time allowed, the request will be closed and the requester so notified.

(3) In all other cases, the requester will be notified of any fees due at the time the requested records are provided to the requester, and allowed a reasonable time (generally 30 calendar days) in which to pay the fees.

(4) If the requester fails to pay the fees in the time allowed, a notice of nonpayment will be placed in the formal control system and no further FOIA requests from the requester will be honored until the fees have been paid.

(k) *Records on Non-U.S. Government Sources.* (1) When it is determined that the records or data contained within the records responsive to a request were obtained from a non-U.S. Government source by the OIG, and the requester is not the submitter of the non-U.S. Government record nor acting as the submitter's representative; and it is further determined the source or submitter may have a valid objection to release of the material, the submitter will be promptly notified of the request and afforded a reasonable time (generally 30 calendar days) to present any objections to the release.

(2) This procedure is required for those FOIA requests for data not deemed clearly exempt from disclosure under exemption (b)(4). If, for example, the record or data was submitted by the non-U.S. Government source with the actual or presumptive knowledge of the source, and established that it would be made available to the public upon request, there is no requirement to notify the source.

(3) All objections will be evaluated. When a substantial issue has been raised, the OIG may seek additional information and afford the source and requester reasonable opportunities to present their arguments on the legal and substantive issues involved prior to making a determination.

(4) The OIG will not ordinarily exercise its discretionary authority to release information clearly meeting the exemption (b)(4) criteria. Further, the final decision to disclose information not deemed to clearly meet exemption (b)(4) criteria will be made by an official equivalent in rank or greater to the official who would make the decision to withhold that data under a FOIA appeal.

(5) When the source or submitter advises of the intent to seek a restraining order or to take court action to prevent release of the data, the requester will be notified and action will not be taken on the request until after the outcome of the court action is known. When the requester brings court action to compel disclosure, the source shall be promptly notified of this action.

(6) These procedures also apply to any non-U.S. Government record in the possession and control of the OIG from multi-national organizations, such as the North Atlantic Treaty Organization (NATO) and the North American Aerospace Defense Command (NORAD), or foreign governments. Coordination of such FOIA requests with foreign governments will be made through the Department of State by the FOIA/PA Division.

(l) *Coordination With Department of Justice.* (1) Where the custodian of an OIG element determines that records responsive to a FOIA request are pertinent to pending or potential litigation involving the United States, the FOIA/PA POC for the element shall promptly notify the FOIA/PA Division so that the necessary coordination can be effected with the Office of General Counsel (OGC) representative to the IG.

(2) The OGC representative shall effect all necessary coordination with the United States Attorney and/or Department of Justice prior to any release of such records.

(m) *Procedures for Appeals.* (1) A requester may appeal the initial decision to deny access to requested records, in writing, to the designated OIG Appellate Authority. The requester may also appeal a no record determination, any fees assessed and the denial of a request for waiver/reduction of fees. All such appeals should be made no later than 60 calendar days after the date of the initial denial letter or letter of advisement regarding fees.

(2) All appeals should provide sufficient information and justification upon which a determination may be made by the Appellate Authority as to whether to grant or deny the appeal; or, in the event of a ''no record determination'' sufficient information and/or justification upon which additional record searches may be based. A copy of the initial request and initial denial, and ''no record'' or fee advisement letter should be included.

(3) The FOIA/PA Division administers the appeals for the Appellate Authority. All appeals should be addressed to the Assistant Director, FOIA/PA Division, OAIG for investigations, 400 Army Navy Drive, Arlington, VA 22202–2884.

(4) Upon receipt in the FOIA/PA Division, the appeal will be assigned a control number, logged, and prepared for provision to the Appellate Authority for a final determination. Receipt will be acknowledged in writing within 10 working days and the requester advised of any additional time needed due to the unusual circumstances described in §295.7(i) of this part.

(5) If additional time is required, the final decision may be delayed for the number of working days (not to exceed 10) that were not used as additional time for responding to the initial request. If no additional time is required, the requester will be advised in writing of the final decision within 20 working days.

(6) If the appeal is approved in part or in whole, or responsive records located upon additional search, the requester will be informed and promptly provided any records determined to be releasable.

(7) If ''no records'' can be located in response to the appeal, the requester will be informed that no records were located, of the identity of the official making the final determination, and of the right to judicial review.

(8) If the appeal of the initial denial of responsive records is denied in part or in whole, the requester will be advised of the applicable statutory exemption or exemptions invoked under the provisions of the FOIA for the denial, the identity of the official making the final determination, that meaningful portions of any denied records were not reasonably segregable, and of the right to judicial review.

(9) When the final refusal is based in whole or in part on a security classification, the explanation shall include a determination that the record meets the cited criteria and rationale of the governing Executive Order, and that this determination is based on a declassification review, with an explanation of how that review confirmed the continuing validity of the security classification.

(10) Final refusal involving issues not previously resolved or that the OIG knows to be inconsistent with rulings of other DoD components ordinarily will not be made before consultation with the Assistant General Counsel (Fiscal and Inspector General), OGC, DoD.

(11) Tentative decisions to deny records that raise new or significant legal issues of potential significance to other agencies of the Government shall be provided to the Department of Justice, Attn: Office of Legal Policy, Office of Information and Policy, Washington, DC 20530 after coordination with the Assistant General Counsel (Fiscal and Inspector General), OGC, DoD.

§295.8 Annual report.

The FOIA Annual Report, assigned Report Control System DD–PA (A) 1365, will be prepared by the FOIA/PA Division for the preceding calendar year and submitted to the Assistant Secretary of Defense (PA) on or before February 1 of each year. The report will be compiled and formatted in accordance with chapter VII, DoD 5400.7–R (32 CFR part 286).

§295.9 Organization and mission.

(a) The organization of the OIG includes the Headquarters located in Arlington, Virginia, consisting of the Inspector General, Deputy Inspector General, the Offices of the Assistant Inspector General (AIG) for Analysis and Followup, the AIG for Audit Policy and Oversight, the AIG for Auditing with its subordinate field elements located throughout the Continental United States (CONUS), the AIG for investigations with its field elements located throughout the CONUS and Europe, the

AIG for Administration and Information Management, the AIG for Departmental Inquiries, the AIG for Inspections, and the Director, IG Regional Office-Europe (IGROE) located in Wiesbaden, Germany. The IGROE has representatives assigned from the Offices of the AIG for Investigations, the AIG for Inspections, the AIG for Auditing and the AIG for Departmental Inquiries, who fulfill the missions of their respective components.

(b) The ''Organization and Staff Listing'' (Inspector General, Defense List (IGDL) 1400.7),[6] provides organization charts for the OIG elements and mailing addresses of all OIG operating locations and will be made available to the public upon written request.

(c) As an independent and objective office in the Department of Defense (DoD) the mission of the OIG is to:

(1) Conduct, supervise, monitor, and initiate audits, inspections and investigations relating to programs and operations of the DoD.

(2) Provide leadership and coordination and recommend policies for activities designed to promote economy, efficiency, and effectiveness in the administration of, and to prevent and detect fraud and abuse in, such programs and operations.

(3) Provide a means for keeping the Secretary of Defense and the Congress fully and currently informed about problems and deficiencies relating to the administration of such programs and operations and the necessity for and progress of corrective action.

(4) Further information regarding the responsibilities and functions of the IG is encompassed in Public Law 95–452, the ''Inspector General Act of 1978,'' as amended and 32 CFR part 373.

APPENDIX A TO PART 295—FOR OFFICIAL USE ONLY (FOUO)

I. General Provisions

A. General

Information that has not been given a security classification pursuant to the criteria of an Executive Order, but which may be withheld from the public for one or more of the reasons cited in FOIA exemptions (b)(2) through (b)(9) shall be considered as being for official use only. No other material shall be considered or marked ''For Official Use Only'' (FOUO), and FOUO is not authorized as an anemic form of classification to protect national security interests.

B. Prior FOUO Application

The prior application of FOUO markings is not a conclusive basis for withholding a record that is requested under the FOIA. When such a record is requested, the information in it shall be evaluated to determine whether, under current circumstances, FOIA exemptions apply in withholding the record or portions of it. If any exemption or exemptions apply or applies, it may nonetheless be released when it is determined that no governmental interest will be jeopardized by its release.

C. Historical Papers

Records such as notes, working papers, and drafts retained as historical evidence of actions enjoy no special status apart from the exemptions under the FOIA.

D. Time to Mark Records

The marking of records at the time of their creation provides notice of FOUO content and facilitates review when a record is requested under the FOIA. Records requested under the FOIA that do not bear such markings, shall not be assumed to be releasable without examination for the presence of information that requires continued protection and qualifies as exempt from public release.

E. Distribution Statement

Information in a technical document that requires a distribution statement pursuant to DoD Directive 5230.24,[1] ''Distribution Statements on Technical Documents'', shall bear that statement and may be marked FOUO, as appropriate.

II. Markings

A. Location of Markings

(1) An unclassified document containing FOUO information shall be marked ''For Official Use Only'' at the bottom on the outside of the front cover (if any), on each page continuing FOUO information, and on the outside of the back cover (if any).

(2) Within a classified document, an individual page that contains both FOUO and classified information shall be marked at the top and bottom with the highest security classification of information appearing on the page.

(3) Within a classified document, an individual page that contains FOUO information

[6] See footnote 1 to §295.5(i).

[1] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

but no classified information shall be marked ''For Official Use Only'' at the bottom of the page.

(4) Other records, such as, photographs, films, tapes, or slides, shall be marked ''For Official Use Only'' or ''FOUO'' in a manner that ensures that a recipient or viewer is aware of the status of the information therein.

(5) The FOUO material transmitted outside the Department of Defense requires application of an expanded marking to explain the significance of the FOUO marking. This may be accomplished by typing or stamping the following statement on the record prior to transfer:

This document contains information
EXEMPT FROM MANDATORY DISCLOSURE
under the FOIA. Exemptions . . . . . apply

III. Dissemination and Transmission

A. Release and Transmission Procedures

Until FOUO status is terminated, the release and transmission instructions that follow apply:

(1) The FOUO information may be disseminated within DoD Components and between officials of DoD Components and DoD contractors, consultants, and grantees to conduct official business for the Department of Defense. Recipients shall be made aware of the status of such information, and transmission shall be by means that preclude unauthorized public disclosure. Transmittal documents shall call attention to the presence of FOUO attachments.

(2) The DoD holders of FOUO information are authorized to convey such information to officials in other departments and agencies of the executive and judicial branches to fulfill a Government function, except to the extent prohibited by the Privacy Act. Records thus transmitted shall be marked ''For Official Use Only'', and the recipient shall be advised that the information has been exempted from public disclosure, pursuant to the FOIA, and that special handling instructions do or do not apply.

(3) Release of FOUO information to Members of Congress is governed by DoD Directive 5400.4,[2] ''Provision of Information to Congress''. Release to the GAO is governed by DoD Directive 7650.1,[3] ''General Accounting Office Access to Records''. Records released to the Congress or GAO should be reviewed to determine whether the information warrants FOUO status. If not, prior FOUO markings shall be removed or effaced. If withholding criteria are met, the records shall be marked FOUO and the recipient provided an explanation for such exemption and marking. Alternatively, the recipient may be requested, without marking the record, to protect against its public disclosure for reasons that are explained.

B. Transporting FOUO Information

Records containing FOUO information shall be transported in a manner that precludes disclosure of the contents. When not commingled with classified information, FOUO information may be sent via first-class mail or parcel post. Bulky shipments, such as distributions of FOUO Directives or testing materials, that otherwise qualify under postal regulations may be sent by fourth-class mail.

C. Electrically Transmitted Messages

Each part of electrically transmitted messages containing FOUO information shall be marked appropriately. Unclassified messages containing FOUO information shall contain the abbreviated ''FOUO'' before the beginning of the text. Such messages shall be transmitted in accordance with communications security procedures in ACP–121 (United States Supplement 1) for FOUO information.

IV. Safeguarding FOUO Information

A. During Duty Hours

During normal working hours, records determined to be FOUO shall be placed in an out-of-sight location if the work area is accessible to non-governmental personnel.

B. During Non-Duty Hours

At the close of business, FOUO records shall be stored so as to preclude unauthorized access. Filing such material with other unclassified records in unlocked files or desks, etc., is adequate when normal U.S. Government or government-contractor internal building security is provided during nonduty hours. When such internal security control is not exercised, locked buildings or rooms normally provide adequate after-hours protection. If such protection is not considered adequate, FOUO material shall be stored in locked receptacles such as file cabinets, desks, or bookcases. FOUO records that are subject to the provisions of Public Law 86–36, National Security Agency Act shall meet the safeguards outlined for that group of records.

V. Termination, Disposal and Unauthorized Disclosures

A. Termination

The originator or other component authority, e.g., initial denial and appellate authorities, shall terminate ''For Official Use Only''

[2] See footnote 1 to section I.E. of this appendix.

[3] See footnote 1 to section I.E. of this appendix.

markings or status when circumstances indicate that the information no longer requires protection from public disclosure. When FOUO status is terminated, all known holders shall be notified, to the extent practical. Upon notification, holders shall efface or remove the ''For Official Use Only'' markings, but records in file or storage need not be retrieved solely for that purpose.

B. Disposal

(1) Nonrecord copies of FOUO materials may be destroyed by tearing each copy into pieces to preclude reconstructing, and placing them in regular trash containers. When local circumstances or experience indicates that this destruction method is not sufficiently protective of FOUO information, local authorities may direct other methods but give due consideration to the additional expense balanced against the degree of sensitivity of the type of FOUO information contained in the records.

(2) Record copies of FOUO documents shall be disposed of in accordance with the disposal standards established under 44 U.S.C. chapter 33, as implemented by Inspector General Defense Manual (IGDM) 5015.2,[4] ''Records Management Program''.

C. Unauthorized Disclosure

The unauthorized disclosure of FOUO records does not constitute an unauthorized disclosure of DoD information classified for security purposes. Appropriate administrative action shall be taken, however, to fix responsibility for unauthorized disclosure whenever feasible, and appropriate disciplinary action shall be taken against those responsible. Unauthorized disclosure of FOUO information that is protected by the Privacy Act may also result in civil and criminal sanctions against responsible persons. The DoD Component that originated the FOUO information shall be informed of its unauthorized disclosure.

APPENDIX B TO PART 295—EXEMPTIONS

I. General

The exemptions listed apply to categories of records that may be withheld in whole or in part from public disclosure, unless otherwise prescribed by law. A discretionary release (see also §295.5(e) of this part) to one requester may preclude the withholding of the same record under a FOIA exemption if the record is subsequently requested by someone else. In applying the exemptions, the identity of the requester and the purpose for which the record is sought are irrelevant with the exception that an exemption may not be invoked where the particular interest to be protected is the requester's interest. The examples provided of the types of records that may be exempted from release are not at all inclusive.

II. FOIA Exemptions

A. Exemption (b)(1).

Those properly and currently classified in the interest of national defense or foreign policy, as specifically authorized under the criteria established by executive order and implemented by regulations, such as DoD 5200.1–R[1] (32 CFR part 159a), ''Information Security Program Regulation''. Although material is not classified at the time of the FOIA request, a classification review may be undertaken to determine whether the information should be classified. The procedures in DoD 5200.1–R, section 2–204f, apply, In addition, this exemption shall be invoked when the following situations are apparent:

(1) The fact of the existence or nonexistence of a record would itself reveal classified information. In this situation, the OIG shall neither confirm nor deny the existence or nonexistence of the record being requested. A ''refusal to confirm or deny'' response will be used consistently, not only when a record exists, but also when a record does not exist. Otherwise, the pattern of using a ''no record'' response when a record does not exist will itself disclose national security information.

(2) Information that concerns one or more of the classification categories established by executive order and DoD 5200.1–R (32 CFR part 159a) shall be classified if its unauthorized disclosure, either by itself or in the context of other information, reasonably could be expected to cause damage to the national security.

B. Exemption (b)(2)

Those related solely to the internal personnel rules and practices of DoD or the OIG. This exemption has two profiles, *high (b)(2)* and *low (b)(2)*.

(1) Records qualifying under high (b)(2) are those containing or constituting statutes, rules, regulations, orders, manuals, directives, and instructions the release of which would allow circumvention of these records, thereby substantially hindering the effective performance of a significant function of the DoD or OIG. Examples include:

(a) Those operating rules, guidelines, and manuals, for DoD and OIG investigators, inspectors, auditors, or examiners that must

[4] Copies may be obtained, if needed, from the Information and Operations Support Directorate, Publications Management Branch, room 420, 400 Army Navy Drive, Arlington, VA 22202–2884.

[1] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

remain privileged in order for the OIG to fulfill a legal requirement.

(b) Personnel and other administrative matters, such as examination questions and answers used in training courses or in the determination of the qualification of candidates for employment, entrance on duty, advancement, or promotion.

(c) Computer software meeting the standards of §295.3(c) of this part, the release of which would allow circumvention of a statute or DoD rules, regulations, orders, manuals, directives, or instructions. In this situation, the use of the software must be closely examined to ensure a circumvention possibility exists.

(2) Records qualifying under the low (b)(2) profile are those that are trivial and housekeeping in nature for which there is no legitimate public interest or benefit to be gained by release, and it would constitute an administrative burden to process the request in order to disclose the records. Examples include: rules of personnel's use of parking facilities or regulation of lunch hours, statements of policy as to sick leave, and trivial administrative data such as file numbers, mail routing stamps, initials, data processing notations, brief references to previous communications, and other like administrative markings.

C. Exemption (b)(3)

Those concerning matters that a statute specifically exempts from disclosure by terms that permit no discretion on the issue, or in accordance with criteria established by that statute for withholding or referring to particular types of matters to be withheld. Examples of statutes are:

(1) National Security Agency Act information exemption, Public Law 86–36, section 6.

(2) Patent Secrecy, 35 U.S.C. 181–188. Any records containing information relating to inventions that are the subject of patent applications on which Patent Secrecy Orders have been issued.

(3) Restricted Data and Formerly Restricted Data, 42 U.S.C. 2162.

(4) Communication intelligence, 18 U.S.C. 798.

(5) Authority to Withhold from Public Disclosure Certain Technical Data, 10 U.S.C. 130, and 32 CFR part 250.

(6) Confidentiality of Medical Quality Records: Qualified Immunity Participants, 10 U.S.C. 1102.

(7) Physical Protection of Special Nuclear Material: Limitation on Dissemination of Unclassified Information, 10 U.S.C. 128.

(8) Protection of Intelligence Sources and Methods, 50 U.S.C. 403(d)(3).

D. Exemption (b)(4)

Those containing trade secrets or commercial or financial information that the OIG receives from a person or organization outside the Government with the understanding that the information or record will be retained on a privileged or confidential basis in accordance with the customary handling of such records. Records within the exemption must contain trade secrets, or commercial or financial records, the disclosure of which is likely to cause substantial harm to the competitive position of the source providing the information; impair the Government's ability to obtain necessary information in the future; or impair some other legitimate Government interest. Examples include:

(1) Commercial or financial information received in confidence in connection with loans, bids, contracts, or proposals, as well as other information received in confidence or privileged, such as trade secrets, inventions, discoveries, or other proprietary data. See also 32 CFR part 286h, ''Release of Acquisition-Related Information''.

(2) Statistical data and commercial or financial information concerning contract performance, income, profits, losses, and expenditures, if offered and received in confidence from a contractor or potential contractor.

(3) Personal statements given in the course of inspections, investigations, or audits, when such statements are received in confidence from the individual and retained in confidence because they reveal trade secrets or commercial or financial information normally considered confidential or privileged.

(4) Financial data provided in confidence by private employers in connection with locality wage surveys that are used to fix and adjust pay schedules applicable to the prevailing wage rate of employees within the Department of Defense.

(5) Scientific and manufacturing processes or developments concerning technical or scientific data or other information submitted with an application for a research grant, or with a report while research is in progress.

(6) Technical or scientific data developed by a contractor or subcontractor exclusively at private expense, and technical or scientific data developed in part with Federal funds and in part at private expense, wherein the contractor or subcontractor has retained legitimate proprietary interest in such data in accordance with title 10, U.S.C. 2320–2321 and DoD Federal Acquisition Regulation Supplement (DFARS), subpart 27.4 (see section C.(5) of this appendix).

(7) Computer software meeting the conditions of §295.3(c), which is copyrighted under the Copyright Act of 1976 (17 U.S.C. 106), the disclosure of which would have an adverse impact on the potential market value of a copyrighted work.

E. Exemption (b)(5)

Except as provided in subsections (2) through (5), below, internal advice, recommendations, and subjective evaluations, as contrasted with factual matters, that are reflected in records pertaining to the decision-making process of an agency, whether within or among agencies (as defined in 5 U.S.C. 552(e)), DoD Components or OIG components. Also exempted are records pertaining to attorney-client privilege and the attorney work-product privilege.

(1) Examples include:

(a) The nonfactual portions of staff papers, to include after-action reports and situation reports containing staff evaluations, advice, opinions, or suggestions.

(b) Advice, suggestions, or evaluations prepared on behalf of the Department of Defense by individual consultants or by boards, committees, councils, groups, panels, conferences, commissions, task forces, or other similar groups that are formed for the purpose of obtaining advice and recommendations.

(c) Those non-factual portions or evaluations by DoD or OIG Components personnel of contractors and their products.

(d) Information of a speculative, tentative, or evaluative nature of such matters as proposed plans to procure, lease or otherwise acquire and dispose of materials, real estate, facilities or functions, when such information would provide undue or unfair competitive advantage to private personal interests or would impede legitimate Government functions.

(e) Trade secret or other confidential research development, or commercial information owned by the Government, where premature release is likely to affect the Government's negotiating position or other commercial interests.

(f) Records that are exchanged among agency personnel and within and among DoD Components or agencies as part of the preparation for anticipated administrative proceeding by an agency or litigation before any Federal, state, or military court, as well as records that qualify for the attorney-client privilege.

(g) Those portions of official reports of inspection, reports of the Inspector General, audits, investigations, or surveys pertaining to safety, security, or the internal management, administration, or operation of one or more DoD Components, when these records have traditionally been treated by the courts as privileged against disclosure in litigation.

(h) Computer software meeting the standards of §295.3(c), which is deliberative in nature, the disclosure of which would inhibit or chill the decision-making process. In this situation, the use of software must be closely examined to ensure its deliberative nature.

(i) Planning, programming, and budgetary information which is involved in the defense planning and resource allocation process.

(2) If any such intra or interagency record or reasonably segregable portion of such record hypothetically would be made available routinely through the ''discovery process'' in the course of litigation with the agency, i.e., the process by which litigants obtain information from each other that is relevant to the issues in a trial or hearing, then it should not be withheld from the general public even though discovery has not been sought in actual litigation. If, however, the information hypothetically would only be made available through the discovery process by special order of the court based on the particular needs of a litigant, balanced against the interests of the agency in maintaining its confidentiality, then the record or document need not be made available under this part. Consult with legal counsel to determine whether exemption 5 material would be routinely made available through the discovery process.

(3) Intra or interagency memoranda or letters that are factual, or those reasonably segregable portions that are factual, are routinely made available through ''discovery,'' and shall be made available to a requester, unless the factual material is otherwise exempt from release, inextricably intertwined with the exempt information, so fragmented as to be uninformative, or so redundant of information already available to the requester as to provide no new substantive information.

(4) A direction or order from a superior to a subordinate, though contained in an internal communication, generally cannot be withheld from a requester if it constitutes policy guidance or a decision, as distinguished from a discussion of preliminary matters or a request for information or advice that would compromise the decision-making process.

(5) An internal communication concerning a decision that subsequently has been made a matter of public record must be made available to a requester when the rationale for the decision is expressly adopted or incorporated by reference in the record containing the decision.

F. Exemption (b)(6)

Information in personnel and medical files, as well as similar personal information in other files, that, if disclosed to the requester would result in a clearly unwarranted invasion of personal privacy. Release of information about an individual contained in a Privacy Act System of records would constitute a clearly unwarranted invasion of privacy is prohibited, and could subject the releaser to civil and criminal penalties.

(1) Examples of other files containing personal information similar to that contained in personnel and medical files include:

(a) Those compiled to evaluate or adjudicate the suitability of candidates for civilian employment or membership in the Armed Forces, and the eligibility of individuals (civilian, military, or contractor employees) for security clearances, or for access to particularly sensitive classified information.

(b) Files containing reports, records, and other material pertaining to personnel matters in which administrative action, including disciplinary action, may be taken.

(2) Home addresses are normally not releasable without the consent of the individuals concerned. In addition, the release of lists of DoD military and civilian personnel's names and duty addresses who are assigned to units that are sensitive, routinely deployable, or stationed in foreign territories can constitute a clearly unwarranted invasion of personal privacy.

(a) Privacy interest. A privacy interest may exist in personal information even though the information has been disclosed at some place and time. If personal information is not freely available from sources other than the Federal Government, a privacy interest exists in its nondisclosure. The fact that the Federal Government expended funds to prepare, index and maintain records on personal information, and the fact that a requester invokes FOIA to obtain these records indicates the information is not freely available.

(b) Published telephone directories, organizational charts, rosters and similar materials for personnel assigned to units that are sensitive, routinely deployable, or stationed in foreign territories are withholdable under this exemption.

(3) This exemption shall not be used in an attempt to protect the privacy of a deceased person, but it may be used to protect the privacy of the deceased person's family.

(4) Individuals' personnel, medical, or similar file may be withheld from them or their designated legal representative only to the extent consistent with DoD Directive 5400.11 (32 CFR part 286a).

(5) A clearly unwarranted invasion of the privacy of the persons identified in a personnel, medical or similar record may constitute a basis for deleting those reasonably segregable portions of that record, even when providing it to the subject of the record. When withholding personal information from the subject of the record, legal counsel should first be consulted.

G. Exemption (b)(7)

Records or information compiled for law enforcement purposes; i.e., civil, criminal, or military law, including the implementation of executive orders or regulations issued pursuant to law. This exemption may be invoked to prevent disclosure of documents not originally created for, but later gathered for law enforcement purposes.

(1) This exemption applies, however, only to the extent that production of such law enforcement records or information could result in the following:

(a) Could reasonably be expected to interfere with enforcement proceedings.

(b) Would deprive a person of the right to a fair trial or to an impartial adjudication.

(c) Could reasonably be expected to constitute an unwarranted invasion of personal privacy of a living person, including surviving family members of an individual identified in such a record.

(i) This exemption also applies when the fact of the existence or nonexistence of a responsive record would itself reveal personally private information and the public interest in disclosure is not sufficient to outweigh the privacy interest. In this situation, the OIG shall neither confirm nor deny the existence or nonexistence of the record being requested.

(ii) A ''refusal to confirm or deny'' response must be used consistently, not only when a record exists, but also when a record does not exist. Otherwise, the pattern of using a ''no records'' response when a record does not exist and a ''refusal to confirm or deny'' when a record does exist will itself disclose personally private information.

(iii) Refusal to confirm or deny should not be used when (1) the person whose personal privacy is in jeopardy has provided the requester with a waiver of his or her privacy rights; or (2) the person whose personal privacy is in jeopardy is deceased, and the OIG is aware of that fact.

(d) Could reasonably be expected to disclose the identity of a confidential source, including a source within the Department of Defense, a State, local, or foreign agency or authority, or any private institution which furnishes the information on a confidential basis.

(e) Could disclose information furnished from a confidential source and obtained by a criminal law enforcement authority in a criminal investigation or by an agency conducting a lawful national security intelligence investigation.

(f) Would disclose techniques and procedures for law enforcement investigations or prosecutions, or would disclose guidelines for law enforcement investigations or prosecutions if such disclosure could reasonably be expected to risk circumvention of the law.

(g) Could reasonably be expected to endanger the life or physical safety of any individual.

(2) Examples include:

(a) Statements of witnesses and other material developed during the course of the investigation and all materials prepared in

connection with related government litigation or adjudicative proceedings.

(b) The identity of firms or individuals being investigated for alleged irregularities involving contracting with Department of Defense when no indictment has been obtained nor any civil action filed against them by the United States.

(c) Information obtained in confidence, expressed or implied, in the course of a criminal investigation by a criminal law enforcement agency or office within a DoD Component, or a lawful national security intelligence investigation conducted by an authorized agency or office within a DoD Component. National security intelligence investigations include background security investigations and those investigations conducted for the purpose of obtaining affirmative or counterintelligence information.

(3) The right of individual litigants to investigative records currently available by law (such as, the Jencks Act, 18 U.S.C. 3500) is not diminished.

(4) When the subject of an investigative record is the requester of the record, it may be withheld only as authorized by DoD Directive 5400.11 (32 CFR part 286a).

(5) Exclusions. Excluded from the above exemptions are the following two situations as applicable to the Department of Defense and the OIG:

(a) Whenever a request is made which involves access to records or information compiled for law enforcement purposes, and the investigation or proceeding involves possible violation of criminal law where there is reason to believe that the subject of the investigation or proceeding is unaware of its pendency, and the disclosure of the existence of the records could reasonably be expected to interfere with enforcement proceedings, the OIG may, during only such times as that circumstance continues, treat the records or information as not subject to the FOIA. In such situation, the response to the requesters will state that no records were found.

(b) Whenever informant records maintained by a criminal law enforcement organization within the OIG under the informant's name or personal identifier are requested by a third party using the informant's name or personal identifier, the OIG may treat the records as not subject to the FOIA, unless the informant's status as an informant has been officially confirmed. If it is determined that the records are subject to exemption (b)(7), the response to the requester will state that no records were found.

H. Exemption (b)(8)

Those contained in or related to examination, operation or condition reports prepared by, on behalf of, or for the use of any agency responsible for the regulation or supervision of financial institutions.

I. Exemption (b)(9)

Those containing geological and geophysical information and data (including maps) concerning wells.

PART 296—NATIONAL RECONNAISSANCE OFFICE FREEDOM OF INFORMATION ACT PROGRAM REGULATION

Sec.
296.1 Purpose.
296.2 Definitions.
296.3 Indexes.
296.4 Procedures for request of records.
296.5 Appeals.

AUTHORITY: 5 U.S.C. 552.

SOURCE: 58 FR 60382, Nov. 16, 1993, unless otherwise noted.

§ 296.1 Purpose.

The purpose of this part is to provide policies and procedures for the National Reconnaissance Office (NRO) implementation of the Freedom of Information Act (FOIA), and to promote uniformity in the NRO FOIA program.

§ 296.2 Definitions.

(a) *Freedom of Information Act Appellate Authority*. The Chief of Staff, NRO.

(b) *Initial Denial Authority*. The Chief, Information Access and Release Center, NRO.

[62 FR 12544, Mar. 17, 1997]

§ 296.3 Indexes.

The NRO does not originate final orders, opinions, statements of policy, interpretations, staff manuals or instructions that affect a member of the public of the type covered by the indexing requirement of 5 U.S.C. 552(a)(2). The Director, NRO, has therefore determined, pursuant to pertinent statutory and executive order requirements, that it is unnecessary and impracticable to publish an index of the type required by 5 U.S.C. 552.

§ 296.4 Procedures for request of records.

(a) *Requests.* Request for access to records of the National Reconnaissance Office may be filed by mail addressed to the Chief, Information Access and Release Center, National Reconnaissance Office, 14675 Lee Road, Chantilly,

VA 20151–1715. Requests need not be made on any special form but must be by letter or other written statement identifying the request as a Freedom of Information Act request and setting forth sufficient information reasonably describing the requested record. All request should contain a willingness to pay assessable FOIA fees.

(b) *Determination and notification.* When the requested record has been located and identified, the Initial Denial Authority shall determine whether the record is one which, consistent with statutory requirements, executive orders and appropriate directives, may be released or should be exempted under the provisions of 5 U.S.C. 552. Normally, the Initial Denial Authority, shall notify the requester of the determination within 10 working days of the receipt of the request.

(c) *Extension of response time.* In unusual circumstances, when additional time is needed to respond, normally the Initial Denial Authority shall notify the requester in writing within the initial response period of the delay, the reasons therefore, and if specified, a date, not to exceed 10 working days, on which a determination is expected to be dispatched. When a significant number of requests have been received, e.g., 10 or more, the requests shall be initially processed in order of receipt. However, this does not preclude the Initial Denial Authority from completing action on a request which can be easily answered, regardless of its ranking within the order of receipt.

(d) *Fees.* (1) *General.* As a component of the Department of Defense, the applicable published Department rules and schedules with respect to the schedule of fees chargeable and waiver of fees will also be the policy of NRO. See 32 CFR 286.33.

(2) *Advance payments.* (i) Where a total fee to be assessed is estimated to exceed $250, advance payment of the estimated fee will be required before processing of the request, except where assurances of full payment are received from a requester with a history of prompt payment. Where a requester has previously failed to pay a fee within 30 calendar days of the date of the billing, the requester will be required to pay the full amount owed, plus any applicable interest, or demonstrate that he or she has paid the fee, as well as make an advance payment of the full amount of any estimated fee before processing of a new or pending request continues.

(ii) For all other requests, advance payment, i.e., a payment made before work is commenced, will not be required. Payment owed for work already completed is not an advance payment; however, responses will not be held pending receipt of fees from requesters with a history of prompt payment. Fees should be paid by certified check or postal money order forwarded to the Director, External Relations, and made payable to the Treasurer of the United States.

[58 FR 60382, Nov. 16, 1993, as amended at 62 FR 12544, Mar. 17, 1997]

§ 296.5 Appeals.

Any person denied access to records, denied a fee waiver, or who considers a no record determination to be adverse in nature, may, within 60 days after notification of such denial, file an appeal to the Freedom on Information Act Appellate Authority, National Reconnaissance Office. Such an appeal shall be in writing addressed to the Chief, Information Access and Release Center, National Reconnaissance Office, 14675 Lee Road, Chantilly, VA 20151–1715, shall reference the initial denial, and shall contain in sufficient detail and particularity, the grounds upon which the requester believes the release of the information, or granting of the fee waiver, is required. The Freedom of Information Act Appellate Authority shall normally make a final determination on an appeal within 20 working days after receipt of the appeal.

[58 FR 60382, Nov. 16, 1993, as amended at 62 FR 12544, Mar. 17, 1997]

PART 298—DEFENSE INVESTIGATIVE SERVICE (DIS) FREEDOM OF INFORMATION ACT PROGRAM

Sec.

298.1 Purpose.
298.2 Organization.
298.3 Records maintained by DIS.
298.4 Procedure for release of DIS records.
298.5 Information requirements.

AUTHORITY: 5 U.S.C. 552.

SOURCE: 60 FR 20032, Apr. 24, 1995, unless otherwise noted.

§ 298.1 Purpose.

This part states the intent of the agency regarding policy and procedures for the public to obtain information from the Defense Investigative Service (DIS) under the Freedom of Information Act (FOIA).

§ 298.2 Organization.

(a) The DIS organization includes a Headquarters located in Alexandria, Virginia; four Regions and one operational area with subordinate operating locations throughout the Continental United States (CONUS), Alaska, Hawaii, and Puerto Rico; the Defense Industrial Security Clearance Office (DISCO), Columbus, Ohio; the Personnel Investigations Center (PIC) and National Computer Center (NCC) in Baltimore, Maryland; Office of Industrial Security International Europe (OISI–E), located in Brussels, Belgium with a subordinate office in Mannheim, Germany; Office of Industrial Security International Far East (OISI–FE) located at Camp Zama, Japan; and the Department of Defense Security Institute, located in Richmond, Virginia.

(b) A copy of the DIS Directory showing the addresses of all offices, is available to the public upon request and may be obtained by following the procedures outlined in § 298.4. The names and duty addresses of DIS personnel serving overseas are not released.

§ 298.3 Records maintained by DIS.

It is the policy of DIS to make publicly available all information which may be released under the Freedom of information Act (FOIA), consistent with its other responsibilities. In implementing this policy, DIS follows the procedures set forth in 32 CFR part 286. DIS maintains the following records which may be of interest to the public:

(a) The Defense Clearance and Investigations Index (DCII), which contains references to investigative records created and held by DoD Components. The records indexed are primarily those prepared by the investigative agencies of the DoD, covering criminal, fraud, counterintelligence, and personnel security information. This index also includes security clearance determinations made by the various components of the Department of Defense. Information in the DCII is not usually available to the general public, since general release would violate the privacy of individuals whose names are indexed therein.

(b) Records created as required by DoD Directive 5105.42, ''Defense Investigative Service (DA&M),'' (32 CFR part 361) including investigative and industrial security records.

(c) Publications referenced in ''DIS Directives Listing'' (DIS 00–1–L). A copy of DIS 00–1–L may be obtained upon request from the DIS Office of Information and Public Affairs (V0020), 1340 Braddock Place, Alexandria, VA 22314–1651. While this document will be provided for the convenience of possible users of the materials, such release does not constitute a determination that all or any of the publications listed affect the public or have been cleared for public release.

§ 298.4 Procedures for release of DIS records.

(a)(1) All requests will be submitted in writing to: Defense Investigative Service, Office of Information and Public Affairs (V0020), 1340 Braddock Place, Alexandria, Virginia 22314–1651.

(2) Requests directed to any agency activity (headquarters or field elements) will be forwarded to the Office of Information and Public Affairs.

(b) All requests shall contain the following information:

(1) As complete an identification as possible of the desired material including to the extent known, the title description, and date. 32 CFR part 286 does not authorize ''fishing expeditions.'' In the event a request is not reasonably described as defined in 32 CFR part 286, the requester will be notified by DIS of the defect.

(2) The request must contain the first name, middle name or initial, surname, date and place of birth, social security number, and, if applicable, military service number of the individual concerned, with respect to material concerning investigations of an individual.

(3) A statement as to whether the requester wishes to inspect the record or obtain a copy of it.

(4) A statement that all costs for search (in the case of ''other'' and ''commercial'' requesters), duplication (in case of all categories of requesters), and review (in the case of ''commercial requesters'') will be borne by the requester even if no records, or no releasable records, are found, if appropriate. See 32 CFR part 286 for information on fees and fee waivers.

(5) The full address (including ZIP code) of the requester.

(c) A notarized request by an individual requesting investigative or other personnel records may be required to avoid the risk of invasion of privacy. Requesters will be notified and furnished appropriate forms if this requirement is deemed necessary. In lieu of a notarized statement, an unsworn declaration in accordance with 28 U.S.C. 1746 may be required.

(d) When a request is incomplete or fails to include all of the information required, the requester will be contacted for additional information prior to beginning release procedures.

(e) DIS shall normally respond to request within 10 working days after receipt by the Office of Information and Public Affairs, unless an extension is required and the requester is notified in writing. If a significant number of requests prevents responding in 10 working days, requests, will be processed on a first-come, first-served basis to ensure equitable treatment to all requesters.

(f) When the release of information has been approved, a statement of costs computed in accordance with the DoD Fee Schedule (32 CFR part 286), or a statement waiving the fee, will be included in the notification of approval. Records approved for release will generally be mailed immediately following the receipt of fees. Fees may be waived or reduced in accordance with 32 CFR part 286. Remittances must be in the form of a personal check, bank draft, or postal money order. Remittances are to be made payable to the Treasurer of the United States. Certified documents may be requested for an official government or legal function, and will be provided at a rate established by 32 CFR part 286 for each authentication.

(g) When requests are denied in whole or in part in accordance with 32 CFR part 286, the requester will be advised of the identity of the official making the denial, the reason for the denial, the right of appeal of the decision, and the identity of the person to whom an appeal may be addressed.

(h) Facilities for the review or reproduction of records following approval of the request or appeal are available at the Defense Investigative Service, Office of Information and Public Affairs, 1340 Braddock Place, Alexandria, Virginia 22314–1651. All other transactions will be conducted by mail.

(i) *Appeal of denial of DIS records and information.* (1) All appeals will be submitted in writing and reach the following appellate authority no later than 60 days after the date of the initial denial letter: Director, Defense Investigative Service (V0000), 1340 Braddock Place, Alexandria, Virginia 22314–1651.

(2) All appeals will contain at least the same identification of the records requested as the original request, and a copy of the letter denying the request, if available. Requesters will be given appeal rights when a search has been conducted and no records are located.

(3) All appeals will be reviewed by the Director, DIS, or the Special Assistant to the Director, DIS. Responses to appeals normally shall be made within 20 working days after receipt, unless an extension is required and the appellant is notified. When a request is approved on appeal, the procedures set forth in paragraph (f) of this section will be followed.

§ 298.5 Information requirements.

The DIS Office of Information and Public Affairs is responsible for preparation of the annual ''Freedom of Information Act Report.'' This report has been assigned control symbol PA (TRA&AN) 1365. No forms or publications are required by this part.

PART 299—NATIONAL SECURITY AGENCY (NSA) FREEDOM OF INFORMATION ACT PROGRAM

Sec.

299.1 Purpose.

299.2 Organization and requests for information.
299.3 Indexes.
299.4 Procedures for request of records.
299.5 Appeals.
299.6 Effective date.

AUTHORITY: 5 U.S.C. 552.

§ 299.1 Purpose.

Pursuant to the requirements of the Freedom of Information Act as amended (5 U.S.C. 552), the following rules of procedure are established with respect to public access to the records of the National Security Agency/Central Security Service.

[56 FR 15047, Apr. 15, 1991]

§ 299.2 Organization and requests for information.

The Headquarters of the National Security Agency/Central Security Service is located at Fort George G. Meade, Md. Requests for information and decisions and other submittals may be addressed to the Chief, Office of Policy, National Security Agency/Central Security Service, Fort George G. Meade, Md. 20755.

[40 FR 7300, Feb. 19, 1975, as amended at 46 FR 26482, May 13, 1981]

§ 299.3 Indexes.

The NSA/CSS does not originate final orders, opinions, statements of policy, interpretations, staff manuals or instructions that affect a member of the public of the type covered by the indexing requirement of 5 U.S.C. 552(a)(2) or required to be published for the guidance of the public under 5 U.S.C. 552(a)(1). The Director, NSA/Chief, CSS, has therefore determined, pursuant to pertinent statutory and Executive order requirements, that it is unnecessary and impracticable to publish an index of the type required by 5 U.S.C. 552 as amended by Pub. L. 93–502.

[40 FR 7300, Feb. 19, 1975]

§ 299.4 Procedures for request of records.

(a) *Requests.* Requests for access to records of the National Security Agency/Central Security Service may be filed by mail addressed to the Chief, Office of Policy, National Security Agency/Central Security Service, Fort George G. Meade, Md. 20755. Requests need not be made on any special form but may be by letter or other written statement identifying the request as a Freedom of Information Act request and setting forth sufficient information reasonably describing the requested record.

(b) *Determination and notification.* When the requested record has been located and identified, the Information Officer shall determine whether the record is one which, consistent with statutory requirements, Executive orders and appropriate directives, may be released or should be exempted under the provisions of 5 U.S.C. 552. The Chief, Office of Policy, shall notify the requester of his determination within 10 working days of his receipt of the request.

(c) *Extension of response time.* Where the requested record cannot be located within the initial response period of 10 days because of unusual circumstances, the Chief, Office of Policy shall notify the requester in writing within the initial response period of the delay, the reasons therefore, and a date, not to exceed 10 working days, on which a determination is expected to be dispatched.

(d) Fees. (1) *General.* As a component of the Department of Defense, the applicable published Departmental rules and schedules with respect to the schedule of fees chargeable and waiver of fees will also be the policy of NSA/CSS. See § 286.33 *et seq.*

(2) *Advance payments.* (i) Where a total fee to be assessed is estimated to exceed $250, advance payment of the estimated fee will be required before processing of the request, except where assurances of full payment are received from a requester with a history of prompt payment. Where a requester has previously failed to pay a fee within 30 days of the date of billing, the requester will be required to pay the full amount owned as well as make an advance payment of the full amount of any estimated fee before processing of the request continues.

(ii) For all other requests, advance payment, *i.e.,* a payment made before work is commenced, will not be required. Payment owed for work already completed is not an advance payment,

however, responses will not be held pending receipt of fees from requesters with a history of prompt payment. Fees should be paid by certified check or postal money order forwarded to the Chief, Office of Policy, and made payable to the Treasurer of the United States.

[40 FR 7300, Feb. 19, 1975, as amended at 46 FR 26482, May 13, 1981; 56 FR 15047, Apr. 15, 1991]

§299.5 Appeals.

Any person denied access to records, or denied a fee waiver may, within 60 days after notification of such denial, file an appeal to the Freedom of Information Act Appeals Authority, National Security Agency/Central Security Service. Such an appeal shall be in writing addressed to the Freedom of Information Act Appeals Authority, National Security Agency/Central Security Service, Fort George G. Meade, Md. 20755–6000, shall reference the initial denial and shall contain in sufficient detail and particularity the grounds upon which the requester believes release of the information, or granting of the fee waiver is required. The Freedom of Information Act Appeals Authority shall respond to the appeal within 20 working days after receipt of the appeal.

[56 FR 15047, Apr. 15, 1991]

§299.6 Effective date.

This notice shall become effective upon May 13, 1981.

[46 FR 26482, May 13, 1981]

SUBCHAPTER O—PRIVACY PROGRAM

PART 310—DoD PRIVACY PROGRAM

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APPENDIX I TO PART 310—OFFICE OF MANAGEMENT AND BUDGET (OMB) MATCHING GUIDELINES

AUTHORITY: Pub. L. 93–579, 88 Stat. 1896 (5 U.S.C. 552a).

SOURCE: 51 FR 2364, Jan. 16, 1986, unless otherwise noted. Redesignated at 56 FR 55631, Oct. 29, 1991.

Subpart A—General Provisions

§310.1 Reissuance and purpose.

(a) This part is reissued to consolidate into a single document (32 CFR part 310) Department of Defense (DoD) policies and procedures for implementing the Privacy Act of 1974, as amended (5 U.S.C. 522a,) by authorizing the development, publication and maintenance of the DoD Privacy Program set forth by DoD Directive 5400.11, June 9, 1982, and 5400.11–R, August 31, 1983, both entitled: ''Department of the Defense Privacy Program.''

(b) Its purpose is to delegate authorities and assign responsibilities for the administration of the DoD Privacy Program and to prescribe uniform procedures for DoD Components consistent with DoD 5025.1–M, ''Directives Systems Procedures,'' April 1981.

[51 FR 2364, Jan. 16, 1986. Redesignated at 56 FR 55631, Oct. 29, 1991, as amended at 56 FR 57800, Nov. 14, 1991]

§310.2 Applicability and scope.

(a) The provisions of this part apply to the Office of the Secretary of Defense, the Military Departments, the Organization of the Joint Chiefs of Staff, the Unified and Specified Commands, and the Defense Agencies (hereafter referred to collectively as ''DoD Components''). This part is mandatory for use by all DoD Components. Heads of DoD Components may issue supplementary instructions only when necessary to provide for unique requirements within their Components. Such instructions will not conflict with the provisions of this part.

(b) The DoD Privacy Program is applicable, but not limited, to the following DoD Components:

(1) Office of the Secretary of Defense and its field activities;

(2) Department of the Army;

(3) Department of the Navy;

(4) Department of the Air Force;

(5) U.S. Marine Corps;

(6) Organization of the Joint Chiefs of Staff;

(7) Unified and Specified Commands;

(8) Office of the Inspector General, DoD;

(9) Defense Advanced Research Projects Agency;

(10) Defense Communications Agency;

(11) Defense Contract Audit Agency;

(12) Defense Intelligence Agency;

(13) Defense Investigative Service;

(14) Defense Logistics Agency;

(15) Defense Mapping Agency;

(16) Defense Nuclear Agency;

(17) Defense Security Assistance Agency;

(18) National Security Agency/Central Security Service;

(19) Uniformed Services University of the Health Sciences.

(c) The provisions of this part shall be made applicable by contract or other legally binding action to U.S. Government contractors whenever a DoD contract is let for the operation of a system of records. For purposes of liability under the Privacy Act of 1974 (5 U.S.C. 552a) the employees of the contractor are considered employees of the contracting DoD Component. See also §310.12.

(d) This part does not apply to:

(1) Requests for information from records maintained by the National Security Agency pursuant to Pub. L. 86–36, ''National Security Information Exemption,'' May 29, 1959, and Pub. L. 88–290, ''Personnel Security Procedures in the National Security Agency,'' March 26, 1964. All other systems of records maintained by the Agency are subject to the provisions of this part.

(2) Requests for information from systems of records controlled by the Office of Personnel Management (OPM), although maintained by a DoD Component. These are processed under the applicable parts of the OPM's Federal Personnel Manual (5 CFR part 297).

(3) Requests for personal information from the General Accounting Office (GAO). These are processed in accordance with DoD Directive 7650.1, ''General Accounting Office Access to Records,'' August 26, 1982.

(4) Requests for personal information from Congress. These are processed in accordance with DoD Directive 5400.4, ''Provisions of Information to Congress,'' January 30, 1978, except for those specific provisions in subpart E—

Disclosure of Personal Information to Other Agencies and Third Parties.

(5) Requests for information made under the Freedom of Information Act (5 U.S.C. 552). These are processed in accordance with ''DoD Freedom of Information Act Program'' (32 CFR part 286).

[51 FR 2364, Jan. 16, 1986. Redesignated at 56 FR 55631, Oct. 29, 1991, as amended at 56 FR 57800, Nov. 14, 1991]

§ 310.3 Definitions.

Access. The review of a record or a copy of a record or parts thereof in a system of records by any individual.

Agency. For the purposes of disclosing records subject to the Privacy Act among DoD Components, the Department of Defense is considered a single agency. For all other purposes to include applications for access and amendment, denial of access or amendment, appeals from denials, and record keeping as regards release to non-DoD agencies; each DoD Component is considered an agency within the meaning of the Privacy Act.

Confidential source. A person or organization who has furnished information to the federal government under an express promise that the person's or the organization's identity will be held in confidence or under an implied promise of such confidentialness if this implied promise was made before September 27, 1975.

Disclosure. The transfer of any personal information from a system of records by any means of communication (such as oral, written, electronic, mechanical, or actual review) to any person, private entity, or government agency, other than the subject of the record, the subject's designated agent or the subject's legal guardian.

Individual. A living citizen of the United States or an alien lawfully admitted to the United States for permanent residence. The legal guardian of an individual has the same rights as the individual and may act on his or her behalf. All members of U.S. Armed Forces are considered individuals for Privacy Act purposes. No rights are vested in the representative of a dead person under this part and the term ''individual'' does not embrace an individual acting in an interpersonal capacity, for example, sole proprietorship or partnership.

Individual access. Access to information pertaining to the individual by the individual or his designated agent or legal guardian.

Law enforcement activity. Any activity engaged in the enforcement of criminal laws, including efforts to prevent, control, or reduce crime or to apprehend criminals, and the activities of prosecutors, courts, correctional, probation, pardon, or parole authorities.

Maintain. Includes maintain, collect, use or disseminate.

Official use. Within the context of this part, this term is used when officials and employees of a DoD Component have a demonstrated need for the use of any record or the information contained therein in the performance of their official duties, subject to the ''DoD Information Security Program Regulation'': (32 CFR part 159).

Personal information. Information about an individual that is intimate or private to the individual, as distinguished from information related solely to the individual's official functions or public life.

Privacy Act. The Privacy Act of 1974, as amended (5 U.S.C. 552a).

Privacy Act request. A request from an individual for notification as to the existence of, access to, or amendment of records pertaining to that individual. These records must be maintained in a system of records.

Member of the public. Any individual or party acting in a private capacity to include federal employees or military personnel.

Record. Any item, collection, or grouping of information about an individual that is maintained by an agency, including, but not limited to, the individual's education, financial transactions, medical history, and criminal or employment history and that contains the individual's name, or the identifying number, symbol, or other identifying particular assigned to the individual, such as a finger or voice print or a photograph.

Risk assessment. An analysis considering information sensitivity,

vulnerabilities, and the cost to a computer facility or word processing activity in safeguarding personal information processed or stored in the facility or activity.

Routine use. The disclosure of a record outside the Department of Defense for a use that is compatible with the purpose for which the information was collected and maintained by the Department of Defense. The routine use must be included in the published system notice for the system of records involved.

Statistical record. A record maintained only for statistical research or reporting purposes and not used in whole or in part in making determinations about specific individuals.

System of records. A group of records under the control of a DoD Component from which information is retrieved by the individual's name or by some identifying number, symbol, or other identifying particular assigned to the individual. System notices for all Privacy Act systems of records must be published in the FEDERAL REGISTER.

Word processing system. A combination of equipment employing automated technology, systematic procedures, and trained personnel for the primary purpose of manipulating human thoughts and verbal or written or graphic presentations intended to communicate verbally or visually with another individual.

Word processing equipment. Any combination of electronic hardware and computer software integrated in a variety of forms (firmware, programable software, handwiring, or similar equipment) that permits the processing of textual data. Generally, the equipment contains a device to receive information, a computer-like processor with various capabilities to manipulate the information, a storage medium, and an output device.

[51 FR 2364, Jan. 16, 1986. Redesignated at 56 FR 55631, Oct. 29, 1991, as amended at 62 FR 26389, May 14, 1997]

§310.4 Policy.

(a) *General policy.* It is the policy of the Department of Defense to safeguard personal information contained in any system of records maintained by DoD Components and to make that information available to the individual to whom it pertains to the maximum extent practicable.

(b) *Permit individual access and amendment.* Individuals are permitted:

(1) To determine what records pertaining to them are being collected, maintained, used, or disseminated.

(2) To gain access to the information pertaining to them maintained in any system of records, and to correct or amend that information.

(3) To obtain an accounting of all disclosures of the information pertaining to them except when disclosures are made to:

(i) DoD personnel in the course of their official duties;

(ii) Under the ''DoD Freedom of Information Act Program'' (32 CFR part 286);

(iii) To another agency or to an instrumentality of any governmental jurisdiction within or under control of the United States for 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 DoD activity which maintains the record specifying the particular portion desired and the law enforcement activity for which the record is sought.

(4) To appeal any refusal to grant access to or amend any record pertaining to them, and to file a statement of disagreement with the record in the event amendment is refused.

(c) *Limit collection, maintenance, use, and dissemination of personal information.* DoD Components are required:

(1) To collect, maintain, use, and disseminate personal information only when it is relevant and necessary to achieve a purpose required by statute or Executive Order.

(2) To collect personal information directly from the individual to whom it pertains to the greatest extent practical.

(3) To inform individuals who are asked to supply personal information for inclusion in any system of records:

(i) The authority for the solicitation;

(ii) Whether furnishing the information is mandatory or voluntary;

(iii) The intended uses of the information;

(iv) The routine disclosures of the information that may be made outside the Department of Defense; and

(v) The effect on the individual of not providing all or any part of the requested information.

(4) To ensure that all records used in making determinations about individuals are accurate, relevant, timely, and complete.

(5) To make reasonable efforts to ensure that records containing personal information are accurate, relevant, timely, and complete for the purposes for which the record is being maintained before making them available to any recipients outside the Department of Defense, other than a federal agency, unless the disclosure is made under 32 CFR part 286.

(6) To keep no record that describes how individuals exercise their rights guaranteed by the First Amendment of the U.S. Constitution, unless expressly authorized by statute or by the individual to whom the records pertains, or the record is pertinent to and within the scope of an authorized law enforcement activity.

(7) To make reasonable efforts, when appropriate, to notify individuals whenever records pertaining to them are made available under compulsory legal process, if such process is a matter of public record.

(8) To establish safeguards to ensure the security of personal information and to protect this information from threats or hazards that might result in substantial harm, embarrassment, inconvenience, or unfairness to the individual.

(9) To establish rules of conduct for DoD personnel involved in the design, development, operation, or maintenance of any system of records and to train them in these rules of conduct.

(d) *Required public notice and publication.* DoD Components are required to publish in the FEDERAL REGISTER:

(1) A notice of the existence and character of every system of records maintained.

(2) A notice of the establishment of any new or revised system of records.

(3) At least 30 days before adoption, advance notice for public comment of any new or intended changes to the routine uses of the information in existing system of records including the categories of users and the purposes of such use.

(e) *Permit exempting eligible systems of records.* DoD Components may exempt from certain specific provisions of the Privacy Act (5 U.S.C. 552a) eligible systems of records, but only when there is an important public purpose to be served and specific statutory for the exemption exists.

(f) *May require annual and other reports.* DoD Components shall furnish the Privacy Office that information required to complete any reports required by the Office of Management and Budget or other authorities.

§ 310.5 Organization.

(a) *Defense Privacy Board.* Membership of the board shall consist of the Executive Secretary and representatives designated by the Secretaries of the Military Departments; the Assistant Secretary of Defense (Comptroller) (whose designee shall serve as chairman); the Assistant Secretary of Defense (Force Management and Personnel); the General Counsel, Department of Defense; and the Director, Defense Logistics Agency;

(b) *The Defense Privacy Office.* The office shall consist of a Director, who shall also function as the Executive Secretary of the Defense Privacy Board, and his staff.

(c) *The Defense Privacy Board Legal Committee.* The committee shall be composed of a legal counsel from each of the DoD Components represented on the DoD Privacy Board. The legal counsels shall be appointed by the Executive Secretary in coordination with the Secretaries of the Military Department or the head of the appropriate DoD Components. Other DoD legal counsels may be appointed by the Executive Secretary, after coordination with the appropriate representative of the DoD Component concerned, to serve on the committee.

§ 310.6 Responsibilities.

(a) *The Assistant Secretary of Defense (Comptroller) (ASD(C)),* or his designee, the *Deputy Assistant Secretary of Defense (Administration) (DASD(A)),* shall:

(1) Direct and administer the DoD Privacy Program.

(2) Develop and maintain DoD Directive 5400.11 and DoD Regulation 5400.11–R (32d CFR part 310) consistent with DoD 5025.1–M and other guidance, to ensure timely and uniform implementation of the DoD Privacy Program.

(3) Serve as chairman of the Defense Privacy Board.

(b) *Chairman and members of the Defense Privacy Board* shall:

(1) Serve as the principal policymakers for the DoD Privacy Program and the focal point for implementation of this part.

(2) Ensure that all DoD Components actively participate in establishing policies, procedures, and practices in carrying out the DoD Privacy Program.

(c) *Director, Defense Privacy Office,* shall:

(1) Serve as Executive Secretary and a Member of the Defense Privacy Board.

(2) Monitor implementation of the DoD Privacy Program for the Defense Privacy Board.

(3) Serve as the focal point for the coordination of Privacy Act matters with the Defense Privacy Board; the Defense Privacy Board Legal Committee; the Office of Management and Budget; the General Accounting Office; the Office of the Federal Register, in conjunction with the OSD Federal Register Liaison Officer, and other federal agencies, as required;

(4) Develop and maintain the DoD Privacy Program, DoD Directive 5400.11 and DoD 5400.11–R (32 CFR part 310) consistent with DoD 5025.1–M.

(5) Review DoD Component instructions and related issuances pertaining to the DoD Privacy Program and provide overall guidance to avoid conflict with DoD Privacy Program policy and procedures.

(6) Supervise the implementation of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401 *et seq.*); DoD Directive 5400.12, ''Obtaining Information from Financial Institutions'' (32 CFR part 294) and any other legislation that impacts directly on individual privacy.

(7) In conjunction with the Office of the Assistant Secretary of Defense (Force Management and Personnel), the Office of the General Counsel, DoD; and other DoD Components:

(i) Ensure that training programs regarding DoD Privacy Program policies and procedures are established for all DoD personnel whose duties involve design, development, operation, and maintenance of any system of records.

(ii) Coordinate on all DoD personnel policies that may affect the DoD Privacy Program.

(8) In conjuction with the Office of the Deputy Assistant Secretary of Defense (Management Systems), Office of the ASD(C), and other DoD Components, ensure that:

(i) All information requirements developed to collect or maintain personal data conform with DoD Privacy Program standards;

(ii) Procedures are developed to protect personal information while it is being processed or stored in automated data processing or word processing centers.

(9) In conjuction with the Office of the ASD (FM&P), the Defense Manpower Data Center (Defense Logistics Agency), and other DoD Components, ensure that procedures developed to collect or maintain personal data for research purposes conform both to the requirements of the research and DoD Privacy Program standards.

(d) *Members of Defense Privacy Board Legal Committee* shall:

(1) Consider legal questions referred to it by the Board regarding the application of the Privacy Act (5 U.S.C. 552a); DoD Directive 5400.11; and DoD 5400.11–R, (this part) and the implementation of the DoD Privacy Program.

(2) Render advisory opinions to the DoD Privacy Board, subject to approval by the General Counsel, Department of Defense.

(e) The *General Counsel, Department of Defense,* shall:

(1) Review the advisory opinions of the Defense Privacy Board Legal Committee to ensure uniformity in legal positions and interpretations rendered.

(2) Be the final approving authority on all advisory legal opinions rendered by the Defense Privacy Board or the Defense Privacy Board Legal Committee regarding the Privacy Act (5 U.S.C. 552a) or its implementation.

(f) The *Head of each DoD Component* shall implement the DoD Privacy Program by carrying out the specific responsibilities set forth in § 310.4(c) and shall:

(1) Establish an active program to implement the DoD Privacy Program.

(2) Provide adequate funds and personnel to support the Privacy Program.

(3) Designate a senior official to serve as the principal point of contact for DoD Privacy matters and to monitor compliance with the program.

(4) Ensure that DoD Privacy Program compliance is reviewed during the internal inspections conducted by Inspectors General or equivalent inspectors.

(5) Ensure that the DoD Component head, a designee, or an appellant reviews all appeals from denials or refusals by Component officials to amend personal records.

(6) Establish rules of conduct to ensure that:

(i) Only personal information that is relevant and necessary to achieve a purpose required by statute or Executive Order is collected, maintained, used or disseminated.

(ii) Personal information is collected to the greatest extent practicable directly from the individual to whom it pertains.

(iii) No records are maintained describing how individuals exercise their rights guaranteed by the First Amendment to the U.S. Constitution unless expressly authorized by statute or the individual to whom they pertain or unless the records pertain to and are within the scope of an authorized law enforcement activity.

(iv) Individuals are granted access to records which pertain to them in systems of records unless the system has been exempted from the access provisions of the Privacy Act (5 U.S.C. 552a).

(v) No system of records subject to the Privacy Act (5 U.S.C. 552a) is maintained, used, or disseminated without prior publication of a system notice in the FEDERAL REGISTER.

(vi) All personal information contained in any system of records is safeguarded against unwarranted and unauthorized disclosure.

(vii) Procedures are established that permit an individual to seek the correction or amendment of any record in a system of records pertaining to the individual unless system of records has been exempted from the amendment procedures of the Privacy Act (5 U.S.C. 552a).

(viii) All personnel whose duties involve design, development, operation, and maintenance of any system of records are trained in the rules of conduct established.

(ix) Assist, upon request, the Defense Privacy Board on matters of special interest.

(g) The *System Manager* for any system of records shall:

(1) Ensure that all personnel who either have access to the system of record or who are engaged in developing or supervising procedures for handling records in the system of records in the system of records are aware of their responsibilities for protecting personal information established by the DoD Privacy Program.

(2) Prepare promptly any required new, amended, or altered system notices for the system of records and submit them through channels for publication in the FEDERAL REGISTER.

(3) Notify all Automated Data Processing (ADP) or word processing managers who process information from the system of records that the information is subject to the DoD Privacy Program and the applicable routine uses for the information in the system.

(4) Coordinate with ADP and word processing managers providing services to ensure an adequate risk analysis is conducted.

(5) Coordinate with the servicing ADP and word processing managers to ensure that the system manager is notified when there are changes to processing equipment, hardware or software, and the data base that may require submission of an amended system notice.

(h) *Automated Data Processing (ADP) or Word Processing Managers,* who process information from any system of records, shall:

(1) Ensure that each system manager provides a current system notice or information as to the contents of the system notice for each system of records from which information is to be processed.

(2) Ensure that all personnel who have access to information from a system of records during processing or who are engaged in developing procedures for processing such information are aware of the provisions of the DoD Privacy Program policies and procedures.

(3) Notify promptly the system manager whenever there are changes to processing equipment, hardware or software, and the data base that may require the submission of an amended system notice for any system of records.

(i) *DoD employees* shall:

(1) Not disclosure any personal information contained in any system of records except as authorized in this part.

(2) Not maintain any official files which are retrievable by name or other personal identifier without first ensuring that a notice for the system has been published in the FEDERAL REGISTER.

(3) Report any disclosures of personal information from a system of records or the maintenance of any system of records that are not authorized by this part to the appropriate Privacy Act officials for his or her action.

[51 FR 2364, Jan. 16, 1986. Redesignated at 56 FR 55631, Oct. 29, 1991, as amended at 56 FR 57800, Nov. 14, 1991]

Subpart B—Systems of Records

§310.10 General.

(a) *System of records.* To be subject to the provisions of this part a ''system of records'' must:

(1) Consist of ''records'' (as defined in §310.3(n)) that are retrieved by the name of an individual or some other personal identifier, and

(2) Be under the control of a DoD Component.

(b) *Retrieval practices.* (1) Records in a group of records that *may be* retrieved by a name or personal identifier are not covered by this part even if the records contain personal data and are under control of a DoD Component. The records *must be,* in fact, retrieved by name or other personal identifier to become a system of records for the purpose of this part.

(2) If files that are not retrieved by name or personal identifier are rearranged in such manner that they are retrieved by name or personal identifier, a new systems notice must be submitted in accordance with §310.63(c) of subpart G.

(3) If records in a system of records are rearranged so that retrieval is no longer by name or other personal identifier, the records are no longer subject to this part and the system notice for the records shall be deleted in accordance with §310.64(c) of subpart G.

(c) *Relevance and necessity.* Retain in a system of records only that personal information which is relevant and necessary to accomplish a purpose required by a federal statute or an Executive Order.

(d) *Authority to establish systems of records.* Identify the specific statute or the Executive Order that authorize maintaining personal information in each system of records. The existance of a statute or Executive order mandating the maintenance of a system of records does not abrogate the responsibility to ensure that the information in the system of records is relevant and necessary.

(e) *Exercise of First Amendment rights.* (1) Do not maintain any records describing how an individual exercises his or her rights guaranteed by the First Amendment of the U.S. Constitution except when:

(i) Expressly authorized by federal statute;

(ii) Expressly authorized by the individual; or

(iii) Maintenance of the information is pertinent to and within the scope of an authorized law enforcement activity.

(2) First Amendment rights include, but are not limited to, freedom of religion, freedom of political beliefs, freedom of speech, freedom of the press, the right to assemble, and the right to petition.

(f) *System manager's evaluation.* (1) Evaluate the information to be included in each new system before establishing the system and evaluate periodically the information contained in each existing system of records for relevancy and necessity. Such a review shall also occur when a system notice

amendment or alteration is prepared (see §§ 310.63 and 310.64 of subpart G).

(2) Consider the following:

(i) The relationship of each item of information retained and collected to the purpose for which the system is maintained;

(ii) The specific impact on the purpose or mission of not collecting each category of information contained in the system;

(iii) The possibility of meeting the information requirements through use of information not individually identifiable or through other techniques, such as sampling;

(iv) The length of time each item of personal information must be retained;

(v) The cost of maintaining the information; and

(vi) The necessity and relevancy of the information to the purpose for which it was collected.

(g) *Discontinued information requirements.* (1) Stop collecting immediately any category or item of personal information from which retention is no longer justified. Also excise this information from existing records, when feasible.

(2) Do not destroy any records that must be retained in accordance with disposal authorizations established under 44 U.S.C. 303a, ''Examination by the Administrator of General Services of Lists and Schedules of Records Lacking Preservation Value, Disposal of Records.''

[51 FR 2364, Jan. 16, 1986. Redesignated at 56 FR 55631, Oct. 29, 1991, and amended at 56 FR 57800, Nov. 14, 1991]

§ 310.11 Standards of accuracy.

(a) *Accuracy of information maintained.* Maintain all personal information that is used or may be used to make any determination about an individual with such accuracy, relevance, timeliness, and completeness as is reasonably necessary to ensure fairness to the individual in making any such determination.

(b) *Accuracy determination before dissemination.* Before disseminating any personal information from a system of records to any person outside the Department of Defense, other than a federal agency, make reasonable efforts to ensure that the information to be disclosed is accurate, relevant, timely, and complete for the purpose it is being maintained (see also § 310.30(d), subpart D and § 310.40(d), subpart E).

[51 FR 2364, Jan. 16, 1986. Redesignated at 56 FR 55631, Oct. 29, 1991, and amended at 56 FR 57800, Nov. 14, 1991]

§ 310.12 Government contractors.

(a) *Applicability to government contractors.* (1) When a DoD Component contracts for the operation or maintenance of a system of records or a portion of a system of records by a contractor, the record system or the portion of the record system affected are considered to be maintained by the DoD Component and are subject to this part. The Component is responsible for applying the requirements of this part to the contractor. The contractor and its employees are to be considered employees of the DoD Component for purposes of the sanction provisions of the Privacy Act during the performance of the contract. Consistent with the Defense Acquisition Regulation (DAR), § 1.327, ''Protection of Individual Privacy'' contracts requiring the maintenance of a system of records or the portion of a system of records shall identify specifically the record system and the work to be performed and shall include in the solicitation and resulting contract such terms as are prescribed by the DAR.

(2) If the contractor must use or have access to individually identifiable information subject to this part to perform any part of a contract, and the information would have been collected and maintained by the DoD Component but for the award of the contract, these contractor activities are subject to this Regulation.

(3) The restriction in paragraphs (a)(1) and (2) of § 310.12 do not apply to records:

(i) Established and maintained to assist in making internal contractor management decisions, such as records maintained by the contractor for use in managing the contract;

(ii) Maintained as internal contractor employee records even when used in conjunction with providing goods and services to the Department of Defense; or

(iii) Maintained as training records by an educational organization contracted by a DoD Component to provide training when the records of the contract students are similar to and comingled with training records of other students (for example, admission forms, transcripts, academic counselling and similar records);

(iv) Maintained by a consumer reporting agency to which records have been disclosed under contract in accordance with the Federal Claims Collection Act of 1966, 31 U.S.C. 952(d).

(4) DoD Components must publish instruction that:

(i) Furnish DoD Privacy Program guidance to their personnel who solicit, award, or administer government contracts;

(ii) Inform prospective contractors of their responsibilities regarding the DoD Privary Program; and

(iii) Establish an internal system of contractor performance review to ensure compliance with the DoD Privacy Program.

(b) *Contracting procedures.* The Defense Systems Acquisition Regulatory Council (DSARC) is responsible for developing the specific policies and procedures to be followed when soliciting bids, awarding contracts or administering contracts that are subject to this part.

(c) *Contractor compliance.* Through the various contract surveillance programs, ensure contractors comply with the procedures established in accordance with paragraph (b) above of this subpart.

(d) *Disclosure of records to contractors.* Disclosure of personal records to a contractor for the use in the performance of any DoD contrtact by a DoD Component is considered a disclosure within the Department of Defense (see §310.40(b), subpart E). The contractor is considered the agent of the contracting DoD Component and to be maintaining and receiving the records for that Component.

[51 FR 2364, Jan. 16, 1986. Redesignated at 56 FR 55631, Oct. 29, 1991, and amended at 56 FR 57800, Nov. 14, 1991]

§310.13 Safeguarding personal information.

(a) *General responsibilities.* Establish appropriate administrative, technical and physical safeguards to ensure that the records in every system of records are protected from unauthorized alteration or disclosure and that their confidentiality is protected. Protect the records against reasonably anticipated threats or hazards that could result in substantial harm, embarrassment, inconvenience, or unfairness to any individual about whom information is kept.

(b) *Minimum standards.* (1) Tailor system safeguards to conform to the type of records in the system, the sensitivity of the personal information stored, the storage medium used and, to a degree, the number of records maintained.

(2) Treat all unclassified records that contain personal information that normally would be withheld from the public under Exemption Numbers 6 and 7, of §286.31, subpart D of 32 CFR part 286 (DoD Freedom of Information Act Program) as if they were designated ''For Official Use Only'' and safeguard them in accordance with the standards established by subpart E of 32 CFR part 286 (DoD FOIA Program) even if they are not actually marked ''For Official Use Only.''

(3) Afford personal information that does not meet the criteria discussed in paragraph (c)(3) of this section that degree of security which provides protection commensurate with the nature and type of information involved.

(4) Special administrative, physical, and technical procedures are required to protect data that is stored or being processed temporarily in an automated data processing (ADP) system or in a word processing activity to protect it against threats unique to those environments (see Appendices A and B).

(5) Tailor safeguards specifically to the vulnerabilities of the system.

(c) *Records disposal.* (1) Dispose of records containing personal data so as to prevent inadvertent compromise. Disposal methods such as tearing, burning, melting, chemical decomposition, pulping, pulverizing, shredding, or mutilation are considered adequate if

the personal data is rendered unrecognizable or beyond reconstruction.

(2) The transfer of large quantities of records containing personal data (for example, computer cards and printouts) in bulk to a disposal activity, such as the Defense Property Disposal Office, is not a release of personal information under this part. The sheer volume of such transfers make it difficult or impossible to identify readily specific individual records.

(3) When disposing of or destroying large quantities of records containing personal information, care must be exercised to ensure that the bulk of the records is maintained so as to prevent specific records from being readily identified. If bulk is maintained, no special procedures are required. If bulk cannot be maintained or if the form of the records make individually identifiable information easily available, dispose of the record in accordance with paragraph (c)(1) of this section.

Subpart C—Collecting Personal Information

§ 310.20 General considerations.

(a) *Collect directly from the individual.* Collect to the greatest extent practicable personal information directly from the individual to whom it pertains if the information may be used in making any determination about the rights, privileges, or benefits of the individual under any federal program (see also paragraph (c) of this section).

(b) *Collecting Social Security Numbers (SSNs).* (1) It is unlawful for any federal, state, or local governmental agency to deny an individual any right, benefit, or privilege provided by law because the individual refuses to provide his or her SSN. However, if a federal statute requires that the SSN be furnished or if the SSN is required to verify the identity of the individual in a system of records that was established and in use before January 1, 1975, and the SSN was required as an identifier by a statute or regulation adopted before that date, this restriction does not apply.

(2) When an individual is requested to provide his or her SSN, he or she must be advised:

(i) The uses that will be made of the SSN;

(ii) The statute, regulation, or rule authorizing the solicitation of the SSN; and

(iii) Whether providing the SSN is voluntary or mandatory.

(3) Include in any systems notice for any system of records that contains SSNs a statement indicating the authority for maintaining the SSN and the sources of the SSNs in the system. If the SSN is obtained directly from the individual indicate whether this is voluntary or mandatory.

(4) Executive Order 9397, ''Numbering System For Federal Accounts Relating to Individual Persons,'' November 30, 1943, authorizes solicitation and use of SSNs as numerical identifier for individuals in most Federal records systems. However, it does not provide *mandatory* authority for soliciting SSNs.

(5) Upon entrance into military service or civilian employment with the Department of Defense, individuals are asked to provide their SSNs. The SSN becomes the service or employment number for the individual and is used to establish personnel, financial, medical, and other official records. Provide the notification in paragraph (b)(2) of this section to the individual when originally soliciting his or her SSN. After an individual has provided his or her SSN for the purpose of establishing a record, the notification in paragraph (b)(2) is not required if the individual is only requested to furnish or verify the SSNs for identification purposes in connection with the normal use of his or her records. However, if the SSN is to be written down and retained for any purpose by the requesting official, the individual must be provided the notification required by paragraph (b)(2) of this section.

(6) Consult the Office of Personnel Management, Federal Personnel Manual (5 CFR parts 293, 294, 297 and 735) when soliciting SSNs for use in OPM records systems.

(c) *Collecting personal information from third parties.* It may not be practical to collect personal information directly from the individual in all cases. Some examples of this are:

(1) Verification of information through third party sources for security or employment suitability determinations;

(2) Seeking third party opinions such as supervisory comments as to job knowledge, duty performance, or other opinion-type evaluations;

(3) When obtaining the needed information directly from the individual is exceptionally difficult or may result in unreasonable costs; or

(4) Contacting a third party at the request of the individual to furnish certain information such as exact periods of employment, termination dates, copies of records, or similar information.

(d) *Privacy Act Statements.* (1) When an individual is requested to furnish personal information about himself or herself for inclusion in a system of records, a Privacy Act Statement is required regardless of the medium used to collect the information (forms, personal interviews, stylized formats, telephonic interviews, or other methods). The Privacy Act Statement consists of the elements set forth in paragraph (d)(2) of this section. The statement enables the individual to make an informed decision whether to provide the information requested. If the personal information solicited is not to be incoporated into a system of records, the statement need not be given. However, personal information obtained without a Privacy Act Statement shall not be incorporated into any system of records. When soliciting SSNs for any purpose, see paragraph (b)(2) of this section.

(2) The Privacy Act Statement shall include:

(i) The specific federal statute or Executive Order that authorizes collection of the requested information (see paragraph (d) of §310.10).

(ii) The principal purpose or purposes for which the information is to be used;

(iii) The routine uses that will be made of the information (see §310.41(e), subpart E);

(iv) Whether providing the information is voluntary or mandatory (see paragraph (e) of this section); and

(v) The effects on the individual if he or she chooses not to provide the requested information.

(3) The Privacy Act Statement shall be concise, current, and easily understood.

(4) The Privacy Act statement may appear as a public notice (sign or poster), conspicuously displayed in the area where the information is collected, such as at check-cashing facilities or identification photograph facilities.

(5) The individual normally is not required to sign the Privacy Act Statement.

(6) Provide the individual a written copy of the Privacy Act Statement upon request. This must be done regardless of the method chosen to furnish the initial advisement.

(e) *Mandatory as opposed to voluntary disclosures.* Include in the Privacy Act Statement specifically whether furnishing the requested personal data is mandatory or voluntary. A requirement to furnish personal data is mandatory only when a federal statute, Executive Order, regulation, or other lawful order specifically imposes a duty on the individual to provide the information sought, and the individual is subject to a penalty if he or she fails to provide the requested information. If providing the information is only a condition of or prerequisite to granting a benefit or privilege and the individual has the option of requesting the benefit or privilege, providing the information is always voluntary. However, the loss or denial of the privilege, benefit, or entitlement sought may be listed as a consequence of not furnishing the requested information.

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§310.21 Forms.

(a) *DoD forms.* (1) DoD Directive 5000.21, ''Forms Management Program'' provides guidance for preparing Privacy Act Statements for use with forms (see also paragraph (b)(1) of this section).

(2) When forms are used to collect personal information, the Privacy Act Statement shall appear as follows (listed in the order of preference):

(i) In the body of the form, preferably just below the title so that the reader will be advised of the contents of the

statement *before* he or she begins to complete the form;

(ii) On the reverse side of the form with an appropriate annotation under the title giving its location;

(iii) On a tear-off sheet attached to the form; or

(iv) As a separate supplement to the form.

(b) *Forms issued by non-DoD activities.* (1) Forms subject to the Privacy Act issued by other federal agencies have a Privacy Act Statement attached or included. Always ensure that the statement prepared by the originating agency is adequate for the purpose for which the form will be used by the DoD activity. If the Privacy Act Statement provided is inadequate, the DoD Component concerned shall prepare a new statement or a supplement to the existing statement before using the form.

(2) Forms issued by agencies not subject to the Privacy Act (state, municipal, and other local agencies) do not contain Privacy Act Statements. Before using a form prepared by such agencies to collect personal data subject to this part, an appropriate Privacy Act Statement must be added.

Subpart D—Access by Individuals

§ 310.30 Individual access to personal information.

(a) *Individual access.* (1) The access provisions of this part are intended for use by individuals about whom records are maintained in systems of records. Release of personal information to individuals under this part is not considered public release of information.

(2) Make available to the individual to whom the record pertains all of the personal information that can be released consistent with DoD responsibilities.

(b) *Individual requests for access.* Individuals shall address requests for access to personal information in a system of records to the system manager or to the office designated in the DoD Component rules or the system notice.

(c) *Verification of identity.* (1) Before granting access to personal data, an individual may be required to provide reasonable verification of his or her identity.

(2) Identity verification procedures shall not:

(i) Be so complicated as to discourage unnecessarily individuals from seeking access to information about themselves; or

(ii) Be required of an individual seeking access to records which normally would be available under the ''DoD Freedom of Information Act Program'' (32 CFR part 286).

(3) Normally, when individuals seek personal access to records pertaining to themselves, identification is made from documents that normally are readily available, such as employee and military identification cards, driver's license, other licenses, permits or passes used for routine identification purposes.

(4) When access is requested by mail, identity verification may consist of the individual providing certain minimum identifying data, such as full name, date and place of birth, or such other personal information necessary to locate the record sought. If the information sought is of a sensitive nature, additional identifying data may be required. If notarization of requests is required, procedures shall be established for an alternate method of verification for individuals who do not have access to notary services, such as military members overseas.

(5) If an individual wishes to be accompanied by a third party when seeking access to his or her records or to have the records released directly to a third party, the individual may be required to furnish a signed access authorization granting the third party access.

(6) An individual shall not be refused access to his or her record solely because he or she refuses to divulge his or her SSN unless the SSN is the only method by which retrieval can be made. (See § 310.20(b)).

(7) The individual is not required to explain or justify his or her need for access to any record under this part.

(8) Only a denial authority may deny access and the denial must be in writing and contain the information required by paragraph (b) of § 310.31.

(d) *Granting individual access to records.* (1) Grant the individual access to the original record or an exact copy

of the original record without any changes or deletions, except when changes or deletions have been made in accordance with paragraph (e) of this section. For the purpose of granting access, a record that has been amended under § 310.31(b) is considered to be the original. See pargraph (e) of this section for the policy regarding the use of summaries and extracts.

(2) Provide exact copies of the record when furnishing the individual copies of records under this part.

(3) Explain in terms understood by the requestor any record or portion of a record that is not clear.

(e) *Illegible, incomplete, or partially exempt records.* (1) Do not deny an individual access to a record or a copy of a record solely because the physical condition or format of the record does not make it readily available (for example, deteriorated state or on magnetic tape). Either prepare an extract or recopy the document exactly.

(2) If a portion of the record contains information that is exempt from access, an extract or summary containing all of the information in the record that is releasable shall be prepared.

(3) When the physical condition of the record or its state makes it necessary to prepare an extract for release, ensure that the extract can be understood by the requester.

(4) Explain to the requester all deletions or changes to the records.

(f) *Access to medical records.* (1) Disclose medical records to the individual to whom they pertain, even if a minor, unless a judgment is made that access to such records could have an adverse effect on the mental or physical health of the individual. Normally, this determination shall be made in consultation with a medical doctor.

(2) If it is determined that the release of the medical information may be harmful to the mental or physical health of the individual:

(i) Send the record to a physician named by the individual; and

(ii) In the transmittal letter to the physician explain why access by the individual without proper professional supervision could be harmful (unless it is obvious from the record).

(3) Do not require the physician to request the records for the individual.

(4) If the individual refuses or fails to designate a physician, the record shall not be provided. Such refusal of access is not considered a denial for Privacy Act reporting purposes. (See paragraph (a) of § 310.31).

(5) Access to a minor's medical records may be granted to his or her parents or legal guardians. However, observe the following procedures:

(i) In the United States, the laws of the particular state in which the records are located may afford special protection to certain types of medical records (for example, records dealing with treatment for drug or alcohol abuse and certain psychiatric records). Even if the records are maintained by a military medical facilities these statutes may apply.

(ii) For the purposes of parental access to the medical records and medical determinations regarding minors at overseas installation the age of majority is 18 years except when:

(A) A minor at the time he or she sought or consented to the treatment was between 15 and 17 years of age;

(B) The treatment was sought in a program which was authorized by regulation or statute to offer confidentiality of treatment records as a part of the program;

(C) The minor specifically requested or indicated that he or she wished the treatment record to be handled with confidence and not released to a parent or guardian; and

(D) The parent or guardian seeking access does not have the written authorization of the minor or a valid court order granting access.

(iii) If all four of the above conditions are met, the parent or guardian shall be denied access to the medical records of the minor. Do not use these procedures to deny the minor access to his or her own records under this part or any other statutes.

(6) All members of the Military Services and all married persons are not considered minors regardless of age, and the parents of these individuals do not have access to their medical records without written consent of the individual.

(g) *Access to information compiled in anticipation of civil action.* (1) An individual is not entitled under this part to

gain access to information compiled in reasonable anticipation of a civil action or proceeding.

(2) The term ''civil proceeding'' is intended to include quasi-judicial and pretrial judicial proceedings that are the necessary preliminary steps to formal litigation.

(3) Attorney work products prepared in conjunction with quasi-judicial pretrial, and trial proceedings, to include those prepared to advise DoD Component officials of the possible legal consequences of a given course of action, are protected.

(h) *Access to investigatory records.* (1) Requests by individuals for access to investigatory records pertaining to themselves and compiled for law enforcement purposes are processed under this part of the DoD Freedom of Information Program (32 CFR part 286) depending on which part gives them the greatest degree of access.

(2) Process requests by individuals for access to investigatory record pertaining to themselves compiled for law enforcement purposes and in the custody of law enforcement activities that have been incorporated into systems of records exempted from the access provisions of this part in accordance with section B of chapter 5 under reference (f). Do not deny an individual access to the record solely because it is in the exempt system, but give him or her automatically the same access he or she would receive under the Freedom of Information Act (5 U.S.C. 552). (See also paragraph (h) of this section.)

(3) Process requests by individuals for access to investigatory records pertaining to themselves that are in records systems exempted from access provisions under paragraph (a) of § 310.52, subpart F, under this part, or the DoD Freedom of Information Act Program (32 CFR part 286) depending upon which regulation gives the greatest degree of access (see also paragraph (j) of this section).

(4) Refer individual requests for access to investigatory records exempted from access under a general exemption temporarily in the hands of a noninvestigatory element for adjudicative or personnel actions to the originating investigating agency. Inform the requester in writing of these referrals.

(i) *Nonagency records.* (1) Certain documents under the physical control of DoD personnel and used to assist them in performing official functions, are not considered ''agency records'' within the meaning of this Regulation. Uncirculated personal notes and records that are not disseminated or circulated to any person or organization (for example, personal telephone lists or memory aids) that are retained or discarded at the author's discretion and over which the Component exercises no direct control, are not considered agency records. However, if personnel are officially directed or encouraged, either in writing or orally, to maintain such records, they may become ''agency records,'' and may be subject to this part.

(2) The personal uncirculated handwritten notes of unit leaders, office supervisors, or military supervisory personnel concerning subordinates are not systems of records within the meaning of this part. Such notes are an extension of the individual's memory. These notes, however, must be maintained and discarded at the discretion of the individual supervisor and not circulated to others. Any established requirement to maintain such notes (such as, written or oral directives, regulations, or command policy) make these notes ''agency records'' and they then must be made a part of a system of records. If the notes are circulated, they must be made a part of a system of records. Any action that gives personal notes the appearance of official agency records is prohibited, unless the notes have been incorporated into a system of records.

(j) *Relationship between the Privacy Act and the Freedom of Information Act.* (1) Process requests for individual access as follows:

(i) Requests by individuals for access to records pertaining to themselves made under the Freedom of Information Act (5 U.S.C. 552) or the DoD Freedom of Information Act Program (32 CFR part 286) or DoD Component instuctions implementing the DoD Freedom of Information Act Program are processed under the provisions of that reference.

(ii) Requests by individuals for access to records pertaining to themselves

made under the Privacy Act of 1971 (5 U.S.C. 552a), this part, or the DoD Component instructions implementing this part are processed under this part.

(iii) Requests by individuals for access to records about themselves that cite both Acts or the implementing regulations and instructions for both Acts are processed under this part except:

(A) When the access provisions of the DoD Freedom of Information Act Program (32 CFR part 286) provide a greater degree of access; or

(B) When access to the information sought is controlled by another federal statute.

(C) If the former applies, follow the provisions of 32 CFR part 286; and if the later applies, follow the access procedures established under the controlling statute.

(iv) Requests by individuals for access to information about themselves in systems of records that do not cite either Act or the implementing regulations or instructions for either Act are processed under the procedures established by this part. However, there is no requirement to cite the specific provisions of this part or the Privacy Act (5 U.S.C. 552a) when responding to such requests. Do not count these requests as Privacy Act request for reporting purposes (see subpart I).

(2) Do not deny individuals access to personal information concerning themselves that would otherwise be releasable to them under either Act solely because they fail to cite either Act or cite the wrong Act, regulation, or instruction.

(3) Explain to the requester which Act or procedures have been used when granting or denying access under either Act (see also paragraph (j)(1)(iv) of this section).

(k) *Time limits.* Normally acknowledge requests for access within 10 working days after receipt and provide access within 30 working days.

(l) *Privacy case file.* Establish a Privacy Act case file when required (see paragraph (p) of §310.32 of this subpart).

[51 FR 2364, Jan. 16, 1986. Redesignated at 56 FR 55631, Oct. 29, 1991, as amended at 56 FR 57800, Nov. 14, 1991]

§310.31 Denial of individual access.

(a) *Denying individual access.* (1) An individual may be denied formally access to a record pertaining to him or her only if the record:

(i) Was compiled in reasonable anticipation of civil action (see paragraph (g) of §310.30)

(ii) Is in a system of records that has been exempted from the access provisions of this regulation under one of the permitted exemptions (see subpart F).

(iii) Contains classified information that has been exempted from the access provision of this part under blanket exemption for such material claimed for all DoD records system (see §310.50(c) of subpart F).

(iv) Is contained in a system of records for which access may be denied under some other federal statute.

(2) Only deny the individual access to those portions of the records from which the denial of access serves some legitimate governmental purpose.

(b) *Other reasons to refuse access.* (1) An individual may be refused access if:

(i) The record is not described well enough to enable it to be located with a reasonable amount of effort on the part of an employee familiar with the file; or

(ii) Access is sought by an individual who fails or refuses to comply with the established procedural requirements, including refusing to name a physician to receive medical records when required (see paragraph (f) of §310.30) or to pay fees (see §310.33 of this subpart).

(2) Always explain to the individual the specific reason access has been refused and how he or she may obtain access.

(c) *Notifying the individual.* Formal denials of access must be in writing and include as a minimum:

(1) The name, title or position, and signature of a designated Component denial authority;

(2) The date of the denial;

(3) The specific reason for the denial, including specific citation to the appropriate sections of the Privacy Act (5 U.S.C. 552a) or other statutes, this part, DoD Component instructions or Code of Federal Regulations (CFR) authorizing the denial;

(4) Notice to the individual of his or her right to appeal the denial through the Component appeal procedure within 60 calendar days; and

(5) The title or position and address of the Privacy Act appeals official for the Component.

(d) *DoD Component appeal procedures.* Establish internal appeal procedures that, as a minimum, provide for:

(1) Review by the head of the Component or his or her designee of any appeal by an individual from a denial of access to Component records.

(2) Formal written notification to the individual by the appeal authority that shall:

(i) If the denial is sustained totally or in part, include as a minimum:

(A) The exact reason for denying the appeal to include specific citation to the provisions of the Act or other statute, this part, Component instructions or the CFR upon which the determination is based;

(B) The date of the appeal determination;

(C) The name, title, and signature of the appeal authority;

(D) A statement informing the applicant of his or her right to seek judicial relief.

(ii) If the appeal is granted, notify the individual and provide access to the material to which access has been granted.

(3) The written appeal notification granting or denying access is the final Component action as regards access.

(4) The individual shall file any appeals from denial of access within no less than 60 calendar days of receipt of the denial notification.

(5) Process all appeals within 30 days of receipt unless the appeal authority determines that a fair and equitable review cannot be made within that period. Notify the applicant in writing if additional time is required for the appellate review. The notification must include the reasons for the delay and state when the individual may expect an answer to the appeal.

(e) *Denial of appeals by failure to act.* A requester may consider his or her appeal formally denied if the authority fails:

(1) To act on the appeal within 30 days;

(2) To provide the requester with a notice of extension within 30 days; or

(3) To act within the time limits established in the Component's notice of extension (see paragraph (d)(5) of this section).

(f) *Denying access to OPM records held by DoD Components.* (1) The records in all systems of records maintained in accordance with the OPM government-wide system notices are technically only in the temporary custody of the Department of Defense.

(2) All requests for access to these records must be processed in accordance with the Federal Personnel Manual (5 CFR parts 293, 294, 297 and 735) as well as the applicable Component procedures.

(3) When a DoD Component refuses to grant access to a record in an OPM system, the Component shall instruct the individual to direct his or her appeal to the appropriate Component appeal authority, not the Office of Personnel Management.

(4) The Component is responsible for the administrative review of its denial of access to such records.

[51 FR 2364, Jan. 16, 1986. Redesignated at 56 FR 55631, Oct. 29, 1991, as amended at 56 FR 57800, Nov. 14, 1991]

§ 310.32 Amendment of records.

(a) *Individual review and correction.* Individuals are encouraged to review the personnel information being maintained about them by DoD Components periodically and to avail themselves of the procedures established by this part and any other Component regulations to update their records.

(b) *Amending records.* (1) An individual may request the amendment of any record contained in a system of records pertaining to him or her unless the system of record has been exempted specifically from the amendment procedures of this part under paragraph (b) of § 310.50, subpart F. Normally, amendments under this part are limited to correcting factual matters and not matters of official judgment, such as performance ratings, promotion potential, and job performance appraisals.

(2) While a Component may require that the request for amendment be in writing, this requirement shall not be

used to discourage individuals from requesting valid amendments or to burden needlessly the amendment process.

(3) A request for amendment must include:

(i) A description of the item or items to be amended;

(ii) The specific reason for the amendment;

(iii) The type of amendment action sought (deletion, correction, or addition); and

(iv) Copies of available documentary evidence supporting the request.

(c) *Burden of proof.* The applicant must support adequately his or her claim.

(d) *Identification of requesters.* (1) Individuals may be required to provide identification to ensure that they are indeed seeking to amend a record pertaining to themselves and not, inadvertently or intentionally, the record of others.

(2) The indentification procedures shall not be used to discourage legitimate requests or to burden needlessly or delay the amendment process. (See paragraph (c) of § 310.30).

(e) *Limits on attacking evidence previously submitted.* (1) The amendment process is not intended to permit the alteration of evidence presented in the course of judicial or quasi-judicial proceedings. Any amendments or changes to these records normally are made through the specific procedures established for the amendment of such records.

(2) Nothing in the amendment process is intended or designed to permit a collateral attack upon what has already been the subject of a judicial or quasi-judicial determination. However, while the individual may not attack the accuracy of the judicial or quasi-judicial determination under this part, he or she may challenge the accuracy of the recording of that action.

(f) *Sufficiency of a request to amend.* Consider the following factors when evaluating the sufficiency of a request to amend:

(1) The accuracy of the information itself; and

(2) The relevancy, timeliness, completeness, and necessity of the recorded information for accomplishing an assigned mission or purpose.

(g) *Time limits.* (1) Provide written acknowledgement of a request to amend within 10 working days of its receipt by the appropriate systems manager. There is no need to acknowledge a request if the action is completed within 10 working days and the individual is so informed.

(2) The letter of acknowledgement shall clearly identify the request and advise the individual when he or she may expect to be notified of the completed action.

(3) Only under the most exceptional circumstances shall more than 30 days be required to reach a decision on a request to amend. Document fully and explain in the Privacy Act case file (see paragraph (p) of this section) any such decision that takes more than 30 days to resolve.

(h) *Agreement to amend.* If the decision is made to grant all or part of the request for amendment, amend the record accordingly and notify the requester.

(i) *Notification of previous recipients.* (1) Notify all previous recipients of the information, as reflected in the disclosure accounting records, that an amendment has been made and the substance of the amendment. Recipients who are known to be no longer retaining the information need not be advised of the amendment. All DoD Components and federal agencies known to be retaining the record or information, even if not reflected in a disclosure record, shall be notified of the amendment. Advise the requester of these notifications.

(2) Honor all requests by the requester to notify specific federal agencies of the amendment action.

(j) *Denying amendment.* If the request for amendment is denied in whole or in part, promptly advise the individual in writing of the decision to include:

(1) The specific reason and authority for not amending;

(2) Notification that he or she may seek further independent review of the decision by the head of the Component or his or her designee;

(3) The procedures for appealing the decision citing the position and address of the official to whom the appeal shall be addressed; and

(4) Where he or she can receive assistance in filing the appeal.

(k) *DoD Component appeal procedures.* Establish procedures to ensure the prompt, complete, and independent review of each amendment denial upon appeal by the individual. These procedures must ensure that:

(1) The appeal with all supporting materials both that furnished the individual and that contained in Component records is provided to the reviewing official, and

(2) If the appeal is denied completely or in part, the individual is notified in writing by the reviewing official that:

(i) The appeal has been denied and the specific reason and authority for the denial;

(ii) The individual may file a statement of disagreement with the appropriate authority and the procedures for filing this statement;

(iii) If filed properly, the statement of disagreement shall be included in the records, furnished to all future recipients of the records, and provided to all prior recipients of the disputed records who are known to hold the record; and

(iv) The individual may seek a judicial review of the decision not to amend.

(3) If the record is amended, ensure that:

(i) The requester is notified promptly of the decision;

(ii) All prior known recipients of the records who are known to be retaining the record are notified of the decision and the specific nature of the amendment (see paragraph (i) of this section); and

(iii) The requester is notified as to which DoD Components and federal agencies have been told of the amendment.

(4) Process all appeals within 30 days unless the appeal authority determines that a fair review cannot be made within this time limit. If additional time is required for the appeal, notify the requester, in writing, of the delay, the reason for the delay, and when he or she may expect a final decision on the appeal. Document fully all requirements for additional time in the Privacy Case File. (See paragraph (p) of this section)

(l) *Denying amendment of OPM records held by DoD Components.* (1) The records in all systems of records controlled by the Office of Personnel Management (OPM) government-wide system notices are technically only temporarily in the custody of the Department of Defense.

(2) All requests for amendment of these records must be processed in accordance with the OPM Federal Personnel Manual (5 CFR parts 293, 294, 297 and 735). The Component denial authority may deny a request. However, the appeal process for all such denials must include a review by the Assistant Director for Agency Compliance and Evaluation, Office of Personnel Management, 1900 E Street NW, Washington, DC 20415.

(3) When an appeal is received from a Component's denial of amendment of the OPM controlled record, process the appeal in accordance with the OPM Federal Personnel Manual (5 CFR parts 293, 294, 297 and 735) and notify the OPM appeal authority listed above.

(4) The individual may appeal any Component decision not to amend the OPM records directly to OPM.

(5) OPM is the final review authority for any appeals from a denial to amend the OPM records.

(m) *Statements of disagreement submitted by individuals.* (1) If the reviewing authority refuses to amend the record as requested, the individual may submit a concise statement of disagreement setting forth his or her reasons for disagreeing with the decision not to amend.

(2) If an individual chooses to file a statement of disagreement, annotate the record to indicate that the statement has been filed (see paragraph (n) of this section).

(3) Furnish copies of the statement of disagreement to all DoD Components and federal agencies that have been provided copies of the disputed information and who may be maintaining the information.

(n) *Maintaining statements of disagreement.* (1) When possible, incorporate the statement of disagreement into the record.

(2) If the statement cannot be made a part of the record, establish procedures to ensure that it is apparent from the

records that a statement of disagreement has been filed and maintain the statement so that it can be obtained readily when the disputed information is used or disclosed.

(3) Automated record systems that are not programed to accept statements of disagreement shall be annotated or coded so that they clearly indicate that a statement of disagreement is on file, and clearly identify the statement with the disputed information in the system.

(4) Provide a copy of the statement of disagreement whenever the disputed information is disclosed for any purpose.

(o) *DoD Component summaries of reasons for refusing to amend.* (1) A summary of reasons for refusing to amend may be included with any record for which a statement of disagreement is filed.

(2) Include in this summary only the reasons furnished to the individual for not amending the record. Do not include comments on the statement of disagreement. Normally, the summary and statement of disagreement are filed together.

(3) When disclosing information for which a summary has been filed, a copy of the summary may be included in the release, if the Component desires.

(p) *Privacy Case Files.* (1) Establish a separate Privacy Case File to retain the documentation received and generated during the amendment or access process.

(2) The Privacy Case File shall contain as a minimum:

(i) The request for amendment or access;

(ii) Copies of the DoD Component's reply granting or denying the request;

(iii) Any appeals from the individual;

(iv) Copies of the action regarding the appeal with supporting documentation which is not in the basic file; and

(v) Any other correspondence generated in processing the appeal, to include coordination documentation.

(3) Only the items listed in paragraphs (p)(4) and (s) of this section may be included in the system of records challenged for amendment or for which access is sought. Do *not* retain copies of unamended records in the basic record system if the request for amendment is granted.

(4) The following items relating to an amendment request may be included in the disputed record system:

(i) Copies of the amended record.

(ii) Copies of the individual's statement of disagreement (see paragraph (m) of this section).

(iii) Copies of Component summaries (see paragraph (o) of this section).

(iv) Supporting documentation submitted by the individual.

(5) The following items relating to an access request may be included in the basic records system:

(i) Copies of the request;

(ii) Copies of the Component's action granting total access.

NOTE.—A separate Privacy case file need not be created in such cases.

(iii) Copies of the Component's action denying access;

(iv) Copies of any appeals filed;

(v) Copies of the reply to the appeal.

(6) There is no need to establish a Privacy case file if the individual has not cited the Privacy Act (reference (b)), this part, or the Component implementing instruction for this part.

(7) Privacy case files shall not be furnished or disclosed to anyone for use in making any determination about the individual other than determinations made under this part.

[51 FR 2364, Jan. 16, 1986. Redesignated at 56 FR 55631, Oct. 29, 1991, as amended at 56 FR 57800, Nov. 14, 1991]

§ 310.33 Reproduction fees.

(a) *Assessing fees.* (1) Charge the individual only the direct cost of reproduction.

(2) Do not charge reproduction fees if copying is:

(i) The only means to make the record available to the individual (for example, a copy of the record must be made to delete classified information); or

(ii) For the convenience of the DoD Component (for example, the Component has no reading room where an individual may review the record, or reproduction is done to keep the original in the Component's file).

(3) No fees shall be charged when the record may be obtained without charge

under any other regulation, directive, or statute.

(4) Do not use fees to discourage requests.

(b) *No minimum fees authorized.* Use fees only to recoup direct reproduction costs associated with granting access. Minimum fees for duplication are not authorized and there is no automatic charge for processing a request.

(c) *Prohibited fees.* Do not charge or collect fees for:

(1) Search and retrieval of records;

(2) Review of records to determine releasability;

(3) Copying records for DoD Component convenience or when the individual has not specifically requested a copy;

(4) Transportation of records and personnel; or

(5) Normal postage.

(d) *Waiver of fees.* (1) Normally, fees are waived automatically if the direct costs of a given request is less than $30. This fee waiver provision does not apply when a waiver has been granted to the individual before, and later requests appear to be an extension or duplication of that original request. A DoD Component may, however, set aside this automatic fee waiver provision when on the basis of good evidence it determines that the waiver of fees is not in the public interest.

(2) Decisions to waiver or reduce fees that exceed the automatic waiver threshold shall be made on a case-by-case basis.

(e) *Fees for members of Congress.* Do not charge members of Congress for copying records furnished even when the records are requested under the Privacy Act on behalf of a constituent (see § 310.41(k) of subpart E). When replying to a constituent inquiry and the fees involved are substantial, consider suggesting to the Congressman that the constituent can obtain the information directly by writing to the appropriate offices and paying the costs. When practical, suggest to the Congressman that the record can be examined at no cost if the constituent wishes to visit the custodian of the record.

(f) *Reproduction fees computation.* Compute fees using the appropriate portions of the fee schedule in subpart G of the DoD Freedom of Information Program (32 CFR part 286).

[51 FR 2364, Jan. 16, 1986. Redesignated at 56 FR 55631, Oct. 29, 1991, as amended at 56 FR 57800, Nov. 14, 1991]

Subpart E—Disclosure of Personal Information to Other Agencies and Third Parties

§ 310.40 Conditions of disclosure.

(a) *Disclosures to third parties.* (1) The Privacy Act only compels disclosure of records from a system of records to the individuals to whom they pertain.

(2) All requests by individual for personal information about other individuals (third parties) shall be processed under the DoD Freedom of Information Program (32 CFR part 286), except for requests by the parents of a minor, or legal guardians of an individual, for access to the records pertaining to the minor or individual.

(b) *Disclosures among DoD Components.* For the purposes of disclosure and disclosure accounting, the Department of Defense is considered a single agency (see § 310.41(a)).

(c) *Disclosures outside the Department of Defense.* Do not disclose personal information from a system of records outside the Department of Defense unless:

(1) The record has been requested by the individual to whom it pertains.

(2) The written consent of the individual to whom the record pertains has been obtained for release of the record to the requesting agency, activity, or individual, or

(3) The release is for one of the specific nonconsensual purposes set forth in § 310.41 of this part.

(d) *Validation before disclosure.* Except for releases made in accordance with the Freedom of Information Act (5 U.S.C. 552), before disclosing any personal information to any recipient outside the Department of Defense other than a federal agency or the individual to whom it pertains:

(1) Ensure that the records are accurate, timely, complete, and relevant for agency purposes;

(2) Contact the individual, if reasonably available, to verify the accuracy,

timeliness, completeness, and relevancy of the information, if the cannot be determined from the record; or

(3) If the information is not current and the individual is not reasonably available, advise the recipient that the information is believed accurate as of a specific date and any other known factors bearing on its accuracy and relevancy.

[51 FR 2364, Jan. 16, 1986. Redesignated at 56 FR 55631, Oct. 29, 1991, as amended at 56 FR 57800, Nov. 14, 1991]

§ 310.41 Nonconsensual disclosures.

(a) *Disclosures within the Department of Defense.* (1) Records pertaining to an individual may be disclosed without the consent of the individual to any DoD official who has need for the record in the performance of his or her assigned duties.

(2) Rank, position, or title alone do not authorize access to personal information about others. An official need for the information must exist before disclosure.

(b) *Disclosures under the Freedom of Information Act.* (1) All records must be disclosed if their release is required by the Freedom of Information Act (5 U.S.C 552) see also the DoD Freedom of Information Program (32 CFR part 286). The Freedom of Information Act requires that records be made available to the public unless exempted from disclosure by one of the nine exemptions found in the Act. It follows, therefore, that if a record is not exempt from disclosure it must be disclosed.

(2) The standard for exempting most personal records, such as personnel records, medical records, and similar records, is found in Exemption Number 6 of 32 CFR 286.31. Under that exemption, release of personal information can only be denied when its release would be a ''clearly unwarranted invasion of personal privacy.''

(3) Release of personal information in investigatory records including personnel security investigation records is controlled by the broader standard of an ''unwarranted invasion of personal privacy'' found in Exemption Number 7 of 32 CFR 286.31. This broader standard applies only to investigatory records.

(4) See 32 CFR part 286 for the standards to use in applying these exemptions.

(c) *Personal information that is normally releasable*—(1) *DoD civilian employees.* (i) Some examples of personal information regarding DoD civilian employees that normally may be released without a clearly unwarranted invasion of personal privacy include:

(A) Name.

(B) Present and past postion titles.

(C) Present and past grades.

(D) Present and past salaries.

(E) Present and past duty stations.

(F) Office or duty telephone numbers.

(ii) All disclosures of personal information regarding federal civilian employees shall be made in accordance with the Federal Personnel Manual (FPM) 5 CFR parts 293, 294, 297 and 735.

(2) *Military members.* (i) While it is not possible to identify categorically information that must be released or withheld from military personnel records in every instance, the following items of personal information regarding military members normally may be disclosed without a clearly unwarranted invasion of their personal privacy:

(A) Full name.

(B) Rank.

(C) Date of rank.

(D) Gross salary.

(E) Past duty assignments.

(F) Present duty assignment.

(G) Future assignments that are officially established.

(H) Office of duty telephone numbers.

(I) Source of commission.

(J) Promotion sequence number.

(K) Awards and decorations.

(L) Attendance at professional military schools.

(M) Duty status at any given time.

(ii) All releases of personal information regarding military members shall be made in accordance with the standards established by 32 CFR part 286.

(3) *Civilian employees not under the FPM.* (i) While it is not possible to identify categorically those items of personal information that must be released regarding civilian employees not subject to the Federal Personnel Manual (5 CFR parts 293, 294, 297 and 735), such as nonappropriated fund employees, normally the following items may

be released without a clearly unwarranted invasion of personal privacy:

(A) Full name.

(B) Grade or position.

(C) Date of grade.

(D) Gross salary.

(E) Present and past assignments.

(F) Future assignments, if officially established.

(G) Office or duty telephone numbers.

(ii) All releases of personal information regarding civilian personnel in this category shall be made in accordance with the standards established by 32 CFR part 286, the DoD Freedom of Information Program.

(d) *Release of home addresses and home telephone numbers.* (1) The release of home addresses and home telephone numbers normally is considered a clearly unwarranted invasion of personal privacy and is prohibited. However, these may be released without prior specific consent of the individual if:

(i) The individual has indicated previously that he or she interposes no objection to their release (see paragraphs (d)(3) and (4) of this section);

(ii) The source of the information to be released is a public document such as commercial telephone directory or other public listing;

(iii) The release is required by federal statute (for example, pursuant to federally-funded state programs to locate parents who have defaulted on child support payments (42 U.S.C. 653); or

(iv) The releasing official releases the information under the provisions of the DoD Freedom of Information Act Program (32 CFR part 286).

(2) A request for a home address or telephone number may be referred to the last known address of the individual for a direct reply by him or her to the requester. In such cases the requester shall be notified of the referral.

(3) When collecting lists of home addresses and telephone numbers, the individual may be offered the option of authorizing the information pertaining to him or her to be disseminated without further permission for specific purposes, such as locator services. In these cases, the information may be disseminated for the stated purpose without further consent. However, if the information is to be disseminated for any other purpose, a new consent is required. Normally such consent for release is in writing and signed by the individual.

(4) Before listing home addresses and home telephone numbers in DoD telephone directories, give the individuals the opportunity to refuse such a listing. Excuse the individual from paying any additional cost that may be associated with maintaining an unlisted number for government-owned telephone services if the individual requests his or her number not be listed in the directory under this part.

(5) Do not sell or rent lists of individual names and addresses unless such action is specifically authorized.

(e) *Disclosures for established routine uses.* (1) Records may be disclosed outside the Department of Defense without consent of the individual to whom they pertain for an established routine use.

(2) A routine use shall:

(i) Be compatible with and related to the purpose for which the record was compiled;

(ii) Identify the persons or organizations to whom the record may be released;

(iii) Identify specifically the uses to which the information may be put by the receiving agency; and

(iv) Have been published previously in the FEDERAL REGISTER (see § 310.62(i), subpart G).

(3) Establish a routine use for each user of the information outside the Department of Defense who need official access to the records.

(4) Routine uses may be established, discontinued, or amended without the consent of the individuals involved. However, new or changed routine uses must be published in the FEDERAL REGISTER at least 30 days before actually disclosing any records under their provisions (see subpart G).

(5) In addition to the routine uses established by the individual system notices, common blanket routine uses for all DoD-maintained systems of records have been established (see appendix C). These blanket routine uses are published only at the beginning of the listing of system notices for each Component in the FEDERAL REGISTER (see

paragraph § 310.62(a)(1), subpart G). Unless a system notice specifically excludes a system from a given blanket routine use, all blanket routine uses apply.

(6) If the recipient has not been identified in the FEDERAL REGISTER or a use to which the recipient intends to put the record has not been published in the system notice as a routine use, the written permission of the individual is required before release or use of the record for that purpose.

(f) *Disclosures to the Bureau of the Census.* Records in DoD systems of records may be disclosed without the consent of the individuals to whom they pertain to the Bureau of the Census for purposes of planning or carrying out a census survey or related activities pursuant to the provisions of 13 U.S.C. 8.

(g) *Disclosures for statistical research and reporting.* (1) Records may be disclosed for statistical research and reporting without the consent of the individuals to whom they pertain. Before such disclosures the recipient must provide advance written assurance that:

(i) The records will be used as statistical research or reporting records;

(ii) The records will only be transferred in a form that is not individually identifiable; and

(iii) The records will not be used, in whole or in part, to make any determination about the rights, benefits, or entitlements of specific individuals.

(2) A disclosure accounting (see paragraph (a) of § 310.44) is not required when information that is not identifiable individually is released for statistical research or reporting.

(h) *Disclosures to the National Archives and Records Administration (NARA).* (1) Records may be disclosed without the consent of the individual to whom they pertain to the NARA if they:

(i) Have historical or other value to warrant continued preservation; or

(ii) For evaluation by the NARA to determine if a record has such historical or other value.

(2) Records transferred to a Federal Records Center (FRC) for safekeeping and storage do not fall within this category. These remain under the control of the transferring Component, and the FRC personnel are considered agents of the Component which retains control over the records. No disclosure accounting is required for the transfer of records to the FRCs.

(i) *Disclosures for law enforcement purposes.* (1) Records may be disclosed without the consent of the individual to whom they pertain to another agency or an instrumentality of any governmental jurisdiction within or under the control of the United States for a civil or criminal law enforcement activity, provided:

(i) The civil or criminal law enforcement activity is authorized by law;

(ii) The head of the law enforcement activity or a designee has made a written request specifying the particular records desired and the law enforcement purpose (such as criminal investigations, enforcement of a civil law, or a similar purpose) for which the record is sought; and

(iii) There is no federal statute that prohibits the disclosure of the records.

(2) Normally, blanket requests for access to any and all records pertaining to an individual are not honored.

(3) When a record is released to a law enforcement activity under paragraph (i)(1) of this section, maintain a disclosure accounting. This disclosure accounting shall not be made available to the individual to whom the record pertains if the law enforcement activity requests that the disclosure not be released.

(4) The blanket routine use for Law Enforcement (appendix C, section A.) applies to all DoD Component systems notices (see paragraph (e)(5) of this section). Only by including this routine use can a Component, on its own initiative, report indications of violations of law found in a system of records to a law enforcement activity without the consent of the individual to whom the record pertains (see paragraph (i)(1) of this section when responding to requests from law enforcement activities).

(j) *Emergency disclosures.* (1) Records may be disclosed without the consent of the individual to whom they pertain if disclosure is made under compelling circumstances affecting the health or safety of any individual. The affected

individual need not be the subject of the record disclosed.

(2) When such a disclosure is made, notify the individual who is the subject of the record. Notification sent to the last known address of the individual as reflected in the records is sufficient.

(3) The specific data to be disclosed is at the discretion of releasing authority.

(4) Emergency medical information may be released by telephone.

(k) *Disclosures to Congress and the General Accounting Office.* (1) Records may be disclosed without the consent of the individual to whom they pertain to either House of the Congress or to any committee, joint committee or subcommittee of Congress if the release pertains to a matter within the jurisdiction of the committee. Records may also be disclosed to the General Accounting Office (GAO) in the course of the activities of GAO.

(2) The blanket routine use for ''Congressional Inquiries'' (see appendix C, section D.) applies to all systems; therefore, there is no need to verify that the individual has authorized the release of his or her record to a congressional member when responding to a congressional constituent inquiry.

(3) If necessary, accept constituent letters requesting a member of Congress to investigate a matter pertaining to the individual as written authorization to provide access to the records to the congressional member or his or her staff.

(4) The verbal statement by a congressional staff member is acceptable to establish that a request has been received from the person to whom the records pertain.

(5) If the constituent inquiry is being made on behalf of someone other than the individual to whom the record pertains, provide the congressional member only that information releasable under the Freedom of Information Act (5 U.S.C. 552). Advise the congressional member that the written consent of the individual to whom the record pertains is required before any additional information may be released. Do not contact individuals to obtain their consents for release to congressional members unless a congressional office specifically requests that this be done.

(6) Nothing in paragraph (k)(2) of this section prohibits a Component, when appropriate, from providing the record directly to the individual and notifying the congressional office that this has been done without providing the record to the congressional member.

(7) See paragraph (e) of § 310.33 for the policy on assessing fees for Members of Congress.

(8) Make a disclosure accounting each time a record is disclosed to either House of Congress, to any committee, joint committee, or subcommittee of Congress, to any congressional member, or GAO.

(l) *Disclosures under court orders.* (1) Records may be disclosed without the consent of the person to whom they pertain under a court order signed by a judge of a court of competent jurisdiction. Releases may also be made under the compulsory legal process of federal or state bodies having authority to issue such process.

(2) When a record is disclosed under this provision, make reasonable efforts to notify the individual to whom the record pertains, if the legal process is a matter of public record.

(3) If the process is not a matter of public record at the time it is issued, seek to be advised when the process is made public and make reasonable efforts to notify the individual at that time.

(4) Notification sent to the last known address of the individual as reflected in the records is considered reasonable effort to notify.

(5) Make a disclosure accounting each time a record is disclosed under a court order or compulsory legal process.

(m) *Disclosures to consumer reporting agencies.* (1) Certain personal information may be disclosed to consumer reporting agencies as defined by the Federal Claims Collection Act of 1966, as amended (31 U.S.C. 952(d)).

(2) Under the provisions of paragraph (m)(1) of this section, the following information may be disclosed to a consumer reporting agency:

(i) Name, address, taxpayer identification number (SSN), and other information necessary to establish the identity of the individual.

(ii) The amount, status, and history of the claim.

(iii) The agency or program under which the claim arose.

(3) The Federal Claims Collection Act of 1966, as amended (31 U.S.C. 952(d)) specifically requires that the system notice for the system of records from which the information will be disclosed indicates that the information may be disclosed to a ''consumer reporting agency.''

[51 FR 2364, Jan. 16, 1986. Redesignated at 56 FR 55631, Oct. 29, 1991, as amended at 56 FR 57800, Nov. 14, 1991; 62 FR 26389, May 14, 1997]

§310.42 Disclosures to commercial enterprises.

(a) *General policy*. (1) Make releases of personal information to commercial enterprises under the criteria established by the DoD Freedom of Information Program (32 CFR part 286).

(2) The relationship of commercial enterprises to their clients or customers and to the Department of Defense are not changed by this part.

(3) The DoD policy on personal indebtedness for military personnel is contained in 32 CFR part 43a and for civilian employees in the Office of Personnel Management, Federal Personnel Manual (5 CFR part 550).

(b) *Release of personal information*. (1) Any information that must be released under the Freedom of Information (5 U.S.C. 552) may be released to a commercial enterprise without the individual's consent (see paragraph (b) of §310.41 of this subpart).

(2) Commercial enterprises may present a signed consent statement setting forth specific conditions for release of personal information. Statements such as the following, if signed by the individual, are considered valid:

I hereby authorize the Department of Defense to verify my Social Security Number or other identifying information and to disclose my home address and telephone number to authorized representatives of (name of commercial enterprise) so that they may use this information in connection with my commercial dealings with that enterprise. All information furnished will be used in connection with my financial relationship with (name of commercial enterprise).

(3) When a statement of consent as outlined in paragraph (b)(2) of this section is presented, provide the requested information if its release is not prohibited by some other regulation or statute.

(4) Blanket statements of consent that do not identify specifically the Department of Defense or any of its Components, or that do not specify exactly the type of information to be released, may be honored if it is clear that the individual in signing the consent statement intended to obtain a personal benefit (for example, a loan to buy a house) and was aware of the type information that would be sought. Care should be exercised in these situations to release only the minimum amount of personal information essential to obtain the benefit sought.

(5) Do not honor request from commercial enterprises for official evaluation of personal characteristics, such as evaluation of personal financial habits.

§310.43 Disclosures to the public from health care records.

(a) *Section applicability*. This section applies to the release of information to the news media or the public concerning persons treated or hospitalized in DoD medical facilities and patients of nonfederal medical facilities for whom the cost of the care is paid by the Department of Defense.

(b) *General disclosure*. Normally, the following may be released without the patient's consent.

(1) Personal information concerning the patient. See 32 CFR part 286, The DoD Freedom of Information Act Program and paragraph (c) of §310.41.

(2) Medical condition:

(i) Date of admission or disposition;

(ii) The present medical assessment of the individual's condition in the following terms if the medical doctor has volunteered the information:

(A) The individual's condition is presently (stable) (good) (fair) (serious) or (critical), and

(B) Whether the patient is conscious, semiconscious, or unconscious.

(c) *Individual consent*. (1) Detailed medical and other personal information may be released in response to inquiries from the news media and public if the patient has given his or her informed consent to such a release.

(2) If the patient is not conscious or competent, no personal information except that required by the Freedom of Information Act (5 U.S.C. 552) shall be released until there has been enough improvement in the patient to ensure he or she can give informed consent or a guardian has been appointed legally for the patient and the guardian has given consent on behalf of the patient.

(3) The consent described in paragraph (c)(1) of this section regarding patients who are minors must be given by the parent of legal guardian.

(d) *Information that may be released with individual consent.* (1) Any item of personal information may be released, if the patient has given his or her informed consent to its release.

(2) Releasing medical information about patients shall be done with discretion, so as not to embarrass the patient, his or her family, or the Department of Defense, needlessly.

(e) *Disclosures to other government agencies.* This subpart does not limit the disclosures of personal medical information to other government agencies for use in determining eligibility for special assistance or other benefits.

[51 FR 2364, Jan. 16, 1986. Redesignated at 56 FR 55631, Oct. 29, 1991, as amended at 56 FR 57800, Nov. 14, 1991]

§ 310.44 Disclosure accounting.

(a) *Disclosure accountings.* (1) Keep an accurate record of all disclosures made from any system of records except disclosures:

(i) To DoD personnel for use in the performance of their official duties; or

(ii) Under 32 CFR part 286, The DoD Freedom of Information Program.

(2) In all other cases a disclosure accounting is required even if the individual has consented to the disclosure of the information pertaining to him or her.

(3) Disclosure accountings:

(i) Permit individuals to determine to whom information has been disclosed;

(ii) Enable the activity to notify past recipients of disputed or corrected information (§ 310.32(i)(1), subpart D); and

(iii) Provide a method of determining compliance with paragraph (c) of § 310.40.

(b) *Contents of disclosure accountings.* As a minimum, disclosure accounting shall contain:

(1) The date of the disclosure.

(2) A description of the information released.

(3) The purpose of the disclosure.

(4) The name and address of the person or agency to whom the disclosure was made.

(c) *Methods of disclosure accounting.* Use any system of disclosure accounting that will provide readily the necessary disclosure information (see paragraph (a)(3) of this section).

(d) *Accounting for mass disclosures.* When numerous similar records are released (such as transmittal of payroll checks to a bank), identify the category of records disclosed and include the data required by paragraph (b) of this section in some form that can be used to construct an accounting disclosure record for individual records if required (see paragraph (a)(3) of this section).

(e) *Disposition of disclosure accounting records.* Retain disclosure accounting records for 5 years after the disclosure or the life of the record, whichever is longer.

(f) *Furnishing disclosure accountings to the individual.* (1) Make available to the individual to whom the record pertains all disclosure accountings except when:

(i) The disclosure has been made to a law enforcement activity under paragraph (i) of § 310.41 and the law enforcement activity has requested that disclosure not be made; or

(ii) The system of records has been exempted from the requirement to furnish the disclosure accounting under the provisions of § 310.50(b), subpart F.

(2) If disclosure accountings are not maintained with the record and the individual requests access to the accounting, prepare a listing of all disclosures (see paragraph (b) of this section) and provide this to the individual upon request.

[51 FR 2364, Jan. 16, 1986. Redesignated at 56 FR 55631, Oct. 29, 1991, as amended at 56 FR 57800, Nov. 14, 1991]

Subpart F—Exemptions

§310.50 Use and establishment of exemptions.

(a) *Types of exemptions.* (1) There are two types of exemptions permitted by the Privacy Act.

(i) General exemptions that authorize the exemption of a system of records from all but certain specifically identified provisions of the Act.

(ii) Specific exemptions that allow a system of records to be exempted only from certain designated provisions of the Act.

(2) Nothing in the Act permits exemption of any system of records from all provisions of the Act (see appendix D).

(b) *Establishing exemptions.* (1) Neither general nor specific exemptions are established automatically for any system of records. The head of the DoD Component maintaining the system of records must make a determination whether the system is one for which an exemption properly may be claimed and then propose and establish an exemption rule for the system. No system of records within the Department of Defense shall be considered exempted until the head of the Component has approved the exemption and an exemption rule has been published as a final rule in the FEDERAL REGISTER (see §310.60(e), subpart G).

(2) Only the head of the DoD Component or an authorized designee may claim an exemption for a system of records.

(3) A system of records is considered exempt only from those provisions of the Privacy Act (5 U.S.C. 552a) which are identified specifically in the Component exemption rule for the system and which are authorized by the Privacy Act.

(4) To establish an exemption rule, see §310.61 of subpart G.

(c) *Blanket exemption for classified material.* (1) Include in the Component rules a blanket exemption under 5 U.S.C. 552a(k)(1) of the Privacy Act from the access provisions (5 U.S.C. 552a(d)) and the notification of access procedures (5 U.S.C. 522a(e)(4)(H)) of the Act for all classified material in any system of records maintained.

(2) Do not claim specifically an exemption under section 552a(k)(1) of the Privacy Act for any system of records. The blanket exemption affords protection to all classified material in all systems of records maintained.

(d) *Provisions from which exemptions may be claimed.* (1) The head of a DoD Component may claim an exemption from any provision of the Act from which an exemption is allowed (see appendix D).

(2) Notify the Defense Privacy Office ODASD(A) before claiming an exemption for any system of records from the following:

(i) The exemption rule publication requirement (5 U.S.C. 552a(j)) of the Privacy Act.

(ii) The requirement to report new systems of records (5 U.S.C. 552a(o)); or

(iii) The annual report requirement (5 U.S.C. 552a(p)).

(e) *Use of exemptions.* (1) Use exemptions only for the specific purposes set forth in the exemption rules (see paragraph (b) of §310.61, subpart G).

(2) Use exemptions only when they are in the best interest of the government and limit them to the specific portions of the records requiring protection.

(3) Do not use an exemption to deny an individual access to any record to which he or she would have access under the Freedom of Information Act (5 U.S.C. 552).

(f) *Exempt records in nonexempt systems.* (1) Exempt records temporarily in the hands of another Component are considered the property of the originating Component and access to these records is controlled by the system notices and rules of the originating Component.

(2) Records that are actually incorporated into a system of records may be exempted only to the extent the system of records into which they are incorporated has been granted an exemption, regardless of their original status or the system of records for which they were created.

(3) If a record is accidentally misfiled into a system of records, the system notice and rules for the system in

which it should actually be filed will govern.

[51 FR 2364, Jan. 16, 1986. Redesignated at 56 FR 55631, Oct. 29, 1991, as amended at 56 FR 57800, Nov. 14, 1991]

§ 310.51 General exemptions.

(a) *Use of the general exemptions.* (1) No DoD Component is authorized to claim the exemption for records maintained by the Central Intelligence Agency established by 5 U.S.C. 552a(j)(1) of the Privacy Act.

(2) The general exemption established by 5 U.S.C. 552a(j)(2) of the Privacy Act may be claimed to protect investigative records created and maintained by law-enforcement activities of a DoD Component.

(3) To qualify for the (j)(2) exemption, the system of records must be maintained by an element that performs as its principal function enforcement of the criminal law, such as U.S. Army Criminal Investigation Command (CIDC), Naval Investigative Service (NIS), the Air Force Office of Special Investigations (AFOSI), and military police activities. Law enforcement includes police efforts to detect, prevent, control, or reduce crime, to apprehend or identify criminals; and the activities of correction, probation, pardon, or parole authorities.

(4) Information that may be protected under the (j)(2) exemption include:

(i) Records compiled for the purpose of identifying criminal offenders and alleged offenders consisting only of identifying data and notations of arrests, the nature and disposition of criminal charges, sentencing, confinement, release, parole, and probation status (so-called criminal history records);

(ii) Reports and other records compiled during criminal investigations, to include supporting documentation.

(iii) Other records compiled at any stage of the criminal law enforcement process from arrest or indictment through the final release from parole supervision, such as presentence and parole reports.

(5) The (j)(2) exemption does not apply to:

(i) Investigative records prepared or maintained by activities without primary law-enforcement missions. It may not be claimed by any activity that does not have law enforcement as its principal function.

(ii) Investigative records compiled by any activity concerning employee suitability, eligibility, qualification, or for individual access to classified material regardless of the principal mission of the compiling DoD Component.

(6) The (j)(2) exemption claimed by the law-enforcement activity will not protect investigative records that are incorporated into the record system of a nonlaw enforcement activity or into nonexempt systems of records (see paragraph (f)(2) of § 310.50). Therefore, all system managers are cautioned to comply with the various regulations prohibiting or limiting the incorporation of investigatory records into system of records other than those maintained by law-enforcement activities.

(b) *Access to records for which a (j)(2) exemption is claimed.* Access to investigative records in the hands of a law-enforcement activity or temporarily in the hands of a military commander or other criminal adjudicative activity shall be processed under 32 CFR part 286, The DoD Freedom of Information Act Program, provided that the system of records from which the file originated is a law enforcement record system that has been exempted from the access provisions of this part (see paragraph (h) of § 310.30, subpart D).

[51 FR 2364, Jan. 16, 1986. Redesignated at 56 FR 55631, Oct. 29, 1991, as amended at 56 FR 57800, Nov. 14, 1991]

§ 310.52 Specific exemptions.

(a) *Use of the specific exemptions.* The specific exemptions permit certain categories of records to be exempted from certain specific provisions of the Privacy Act (see appendix D). To establish a specific exemption, the records must meet the following criteria (parenthetical references are to the appropriate subsection of the Privacy Act (5 U.S.C. 552a(k)):

(1) *The (k)(1).* Information specifically authorized to be classified under the DoD Information Security Program Regulation, 32 CFR part 159. (see also paragraph (c) of this section).

(2) *The (k)(2).* Investigatory information compiled for law-enforcement purposes by nonlaw enforcement activities and which is not within the scope of § 310.51(a). If an individual is denied any right, privilege or benefit that he or she is otherwise entitled by federal law or for which he or she would otherwise be eligible as a result of the maintenance of the information, the individual will be provided access to the information except to the extent that disclosure would reveal the identity of a confidential source. This subsection when claimed allows limited protection of investigative reports maintained in a system of records used in personnel or administrative actions.

(3) *The (k)(3).* Records maintained in connection with providing protective services to the President and other individuals under 18 U.S.C. 3506.

(4) *The (k)(4).* Records maintained solely for statistical research or program evaluation purposes and which are not used to make decisions on the rights, benefits, or entitlement of an individual except for census records which may be disclosed under 13 U.S.C. 8.

(5) *The (k)(5).* Investigatory material compiled solely for the purpose of determining suitability, eligibility, or qualifications for federal civilian employment, military service, federal contracts, or access to classified information, but only to the extent such material would reveal the identity of a confidential source. This provision allows protection of confidential sources used in background investigations, employment inquiries, and similar inquiries that are for personnel screening to determine suitability, eligibility, or qualifications.

(6) *The (k)(6).* Testing or examination material used solely to determine individual qualifications for appointment or promotion in the federal or military service, if the disclosure would compromise the objectivity or fairness of the test or examination process.

(7) *The (k)(7).* Evaluation material used to determine potential for promotion in the Military Services, but only to the extent that the disclosure of such material would reveal the identity of a confidential source.

(b) *Promises of confidentiality.* (1) Only the identity of sources that have been given an express promise of confidentiality may be protected from disclosure under paragraphs (a)(2), (5) and (7) of this section. However, the identity of sources who were given implied promises of confidentiality in inquiries conducted before September 27, 1975, may also be protected from disclosure.

(2) Ensure that promises of confidentiality are used on a limited basis in day-to-day operations. Establish appropriate procedures and identify fully those categories of individuals who may make such promises. Promises of confidentiality shall be made only when they are essential to obtain the information sought.

(c) *Access to records for which specific exemptions are claimed.* Deny the individual access only to those portions of the records for which the claimed exemption applies.

[51 FR 2364, Jan. 16, 1986. Redesignated at 56 FR 55631, Oct. 29, 1991, as amended at 56 FR 57800, Nov. 14, 1991]

Subpart G—Publication Requirements

§ 310.60 Federal Register publication.

(a) *What must be published in the* FEDERAL REGISTER. (1) Three types of documents relating to the Privacy Program must be published in the FEDERAL REGISTER:

(i) DoD Component Privacy Program rules;

(ii) Component exemption rules; and

(iii) System notices.

(2) See DoD 5025.1–M, ''Directives Systems Procedures,'' and DoD Directive 5400.9, (32 CFR part 296) ''Publication of Proposed and Adopted Regulations Affecting the Public'' for information pertaining to the preparation of documents for publication in the FEDERAL REGISTER.

(b) *The effect of publication in the* FEDERAL REGISTER. Publication of a document in the FEDERAL REGISTER constitutes official public notice of the existence and content of the document.

(c) *DoD Component rules.* (1) Component Privacy Program procedures and Component exemption rules are subject to the rulemaking procedures prescribed in 32 CFR part 296.

(2) System notices are not subject to formal rulemaking and are published in the FEDERAL REGISTER as ''Notices,'' not rules.

(3) Privacy procedural and exemption rules are incorporated automatically into the Code of Federal Regulations (CFR). System notices are not published in the CFR.

(d) *Submission of rules for publication.* (1) Submit to the Defense Privacy Office, ODASD(A), all proposed rules implementing this part in proper format (see Appendices E, F and G) for publication in the FEDERAL REGISTER.

(2) This part has been published as a final rule in the FEDERAL REGISTER (32 CFR part 310). Therefore, incorporate it into your Component rules by reference rather than by republication.

(3) DoD Component rules that simply implement this part need only be published as final rules in the FEDERAL REGISTER (see DoD 5025.1–M, ''Directives System Procedures,'' and DoD Directive 5400.9, ''Publication of Proposed and Adopted Regulations Affecting the Public,'' (32 CFR part 296).

(4) Amendments to Component rules are submitted like the basic rules.

(5) The Defense Privacy Office ODASD(A) submits the rules and amendments thereto to the FEDERAL REGISTER for publication.

(e) *Submission of exemption rules for publication.* (1) No system of records within the Department of Defense shall be considered exempt from any provision of this part until the exemption and the exemption rule for the system has been published as a final rule in the FEDERAL REGISTER (see paragraph (c) of this section).

(2) Submit exemption rules in proper format to the Defense Privacy Office ODASD(A). After review, the Defense Privacy Office will submit the rules to the FEDERAL REGISTER for publication.

(3) Exemption rules require publication both as proposed rules and final rules (see DoD Directive 5400.9, 32 CFR part 296).

(4) Section 310.61 of this subpart discusses the content of an exemption rule.

(5) Submit amendments to exemption rules in the same manner used for establishing these rules.

(f) *Submission of system notices for publication.* (1) While system notices are not subject to formal rulemaking procedures, advance public notice must be given before a Component may begin to collect personal information or use a new system of records. The notice procedures require that:

(i) The system notice describes the contents of the record system and the routine uses for which the information in the system may be released.

(ii) The public be given 30 days to comment on any proposed routine uses before implementation; and

(iii) The notice contain the data on which the system will become effective.

(2) Submit system notices to the Defense Privacy Office in the Federal Register format (see appendix E). The Defense Privacy Office transmits the notices to the FEDERAL REGISTER for publication.

(3) Section 310.62 of this subpart discusses the specific elements required in a system notice.

[51 FR 2364, Jan. 16, 1986. Redesignated at 56 FR 55631, Oct. 29, 1991, as amended at 56 FR 57800, Nov. 14, 1991]

§ 310.61 Exemption rules.

(a) *General procedures.* Paragraph (b)(1) of § 310.50, subpart F, provides the general guidance for establishing exemptions for systems of records.

(b) *Contents of exemption rules.* (1) Each exemption rule submitted for publication must contain the following:

(i) The record system identification and title of the system for which the exemption is claimed (see § 310.62 of this subpart);

(ii) The specific subsection of the Privacy Act under which exemptions for the system are claimed (for example, 5 U.S.C. 552a(j)(2), 5 U.S.C. 552a(k)(3); or 5 U.S.C. 552a(k)(7);

(iii) The specific provisions and subsections of the Privacy Act from which the system is to be exempted (for example, 5 U.S.C. 552a(c)(3), or 5 U.S.C. 552a(d)(1)–(5)) (see appendix D); and

(iv) The specific reasons why an exemption is being claimed from each subsection of the Act identified.

(2) Do not claim an exemption for classified material for individual systems of records, since the blanket exemption applies (see paragraph (c) of § 310.50 of subpart F).

[51 FR 2364, Jan. 16, 1986. Redesignated at 56 FR 55631, Oct. 29, 1991, as amended at 56 FR 57800, Nov. 14, 1991]

§ 310.62 System notices.

(a) *Contents of the system notices.* (1) The following data captions are included in each system notice:

(i) System identification (see paragraph (b) of this section).

(ii) System name (see paragraph (c) of this section).

(iii) System location (see paragraph (d) of this section).

(iv) Categories of individuals covered by the system (see paragraph (e) of this section).

(v) Categories of records in the system (see paragraph (f) of this section).

(vi) Authority for maintenance of the system (see paragraph (g) of this section).

(vii) Purpose(s) (see paragraph (h) of this section).

(viii) Routine uses of records maintained in the system, including categories of users, uses, and purposes of such uses (see paragraph (i) of this section).

(ix) Policies and practices for storing, retrieving, accessing, retaining, and disposing of records in the system (see paragraph (j) of this section).

(x) Systems manager(s) and address (see paragraph (k) of this section).

(xi) Notification procedure (see paragraph (l) of this section).

(xii) Record access procedures (see paragraph (m) of this section).

(xiii) Contesting records procedures (see paragraph (n) of this section.)

(xiv) Record source categories (see paragraph (o) of this section).

(xv) Systems exempted from certain provision of the Act (see paragraph (p) of this section).

(2) The captions listed in paragraph (a)(1) of this section have been mandated by the Office of Federal Register and must be used exactly as presented.

(3) A sample system notice is shown in appendix E.

(b) *System identification.* The system identifier must appear on all system notices and is limited to 21 positions, including Component code, file number and symbols, punctuation, and spacing.

(c) *System name.* (1) The name of the system should reasonably identify the general purpose of the system and, if possible, the general categories of individuals involved.

(2) Use acronyms only parenthetically following the title or any portion thereof, such as, ''Joint Uniform Military Pay System (JUMPS).'' Do not use acronyms that are not commonly known unless they are preceded by an explanation.

(3) The system name may not exceed 55 character positions including punctuation and spacing.

(d) *System location.* (1) For systems maintained in a single location provide the exact office name, organizational identity, and address or routing symbol.

(2) For geographically or organizationally decentralized systems, specify each level of organization or element that maintains a segment of the system.

(3) For automated data systems with a central computer facility and input/output terminals at several geographically separated locations, list each location by category.

(4) When multiple locations are identified by type of organization, the system location may indicate that official mailing addresses are contained in an address directory published as an appendix to the Component system notices in the FEDERAL REGISTER. Information concerning format requirements for preparation of an address directory may be obtained from the project officer, Air Force 1st Information Systems Group (AF/1ISG/GNR), Washington, DC 20330–6345.

(5) If no address directory is used or the addresses in the directory are incomplete, the address of each location where a segment of the record system is maintained must appear under the ''System Location'' caption.

(6) Classified addresses are not listed, but the fact that they are classified is indicated.

(7) Use the standard U.S. Postal Service two letter state abbreviation symbols and zip codes for all domestic addresses.

(e) *Categories of individuals covered by the system.* (1) Set forth the specific categories of individuals to whom records in the system pertain in clear, easily understood, nontechnical terms.

(2) Avoid the use of broad over-general descriptions, such as ''all Army personnel'' or ''all military personnel'' unless this actually reflects the category of individuals involved.

(f) *Categories of records in the system.* (1) Describe in clear, nontechnical terms the types of records maintained in the system.

(2) Only documents actually retained in the system of records shall be described, not source documents that are used only to collect data and then destroyed.

(g) *Authority for maintenance of the system.* (1) Cite the specific provision of the federal statute or Executive Order that authorizes the maintenance of the system.

(2) Include with citations for statutes the popular names, when appropriate (for example, Title 51, U.S. Code, section 2103, ''Tea-Tasters Licensing Act''), and for Executive Orders, the official title (for example, Executive Order No. 9397, ''Numbering System for Federal Accounts Relating to Individual Persons'').

(3) Cite the statute or Executive Order establishing the Component for administrative housekeeping records.

(4) If the Component is chartered by a DoD Directive, cite that Directive as well as the Secretary of Defense authority to issue the Directive. For example, ''Pursuant to the authority contained in the National Security Act of 1947, as amended (10 U.S.C. 133d), the Secretary of Defense has issued DoD Directive 5105.21, the charter of the Defense Intelligence Agency (DIA) as a separate Agency of the Department of Defense under his control. Therein, the Director, DIA, is charged with the responsibility of maintaining all necessary and appropriate records.''

(h) *Purpose or purposes.* (1) List the specific purposes for maintaining the system of records by the Component.

(2) Include the uses made of the information within the Component and the Department of Defense (so-called ''internal routine uses'').

(i) *Routine uses.* (1) The blanket routine uses (appendix C) that appear at the beginning of each Component compilation apply to all systems notices unless the individual system notice specifically states that one or more of them do not apply to the system. List the blanket routine uses at the beginning of the Component listing of system notices (see paragraph (e)(5) of § 310.41 of subpart E).

(2) For all other routine uses, when practical, list the specific activity to which the record may be released, to include any routine automated system interface (for example, ''to the Department of Justice, Civil Rights Compliance Division,'' ''to the Veterans Administration, Office of Disability Benefits,'' or ''to state and local health agencies'').

(3) For each routine user identified, include a statement as to the purpose or purposes for which the record is to be released to that activity (see § 310.41(e) of subpart E). The routine uses should be compatible with the purpose for which the record was collected or obtained (see § 310.3(p), subpart A).

(4) Do not use general statements, such as, ''to other federal agencies as required'' or ''to any other appropriate federal agency.''

(j) *Policies and practices for storing, retiring, accessing, retaining, and disposing of records.* This caption is subdivided into four parts:

(1) *Storage.* Indicate the medium in which the records are maintained. (For example, a system may be ''automated'', maintained on magnetic tapes or disks, ''manual'', maintained in paper files, or ''hybrid'', maintained in a combination of paper and automated form.) Storage does not refer to the container or facility in which the records are kept.

(2) *Retrievability.* Specify how the records are retrieved (for example, name and SSN, name, SSN) and indicate whether a manual or computerized index is required to retrieve individual records.

(3) *Safeguards.* List the categories of Component personnel having immediate access and those responsible for safeguarding the records from unauthorized access. Generally identify the

system safeguards (such as storage in safes, vaults, locked cabinets or rooms, use of guards, visitor registers, personnel screening, or computer ''fail-safe'' systems software). Do not describe safeguards in such detail so as to compromise system security.

(4) *Retention and disposal.* Indicate how long the record is retained. When appropriate, also state the length of time the records are maintained by the Component, when they are transferred to a Federal Records Center, length of retention at the Record Center and when they are transferred to the National Archivist or are destroyed. A reference to a Component regulation without further detailed information is insufficient.

(k) *System manager(s) and address.* (1) List the title and address of the official responsible for the management of the system.

(2) If the title of the specific official is unknown, such as for a local system, specify the local commander or office head as the systems manager.

(3) For geographically separated or organizationally decentralized activities for which individuals may deal directly with officials at each location in exercising their rights, list the position or duty title of each category of officials responsible for the system or a segment thereof.

(4) Do not include business or duty addresses if they are listed in the Component address directory.

(l) *Notification procedures.* (1) If the record system has been exempted from subsection (e)(4)(G) of the Privacy Act (5 U.S.C. 552a) (see §310.50)(d), so indicate.

(2) For all nonexempt systems, describe how an individual may determine if there are records pertaining to him or her in the system. The procedural rules may be cited, but include a brief procedural description of the needed data. Provide sufficient information in the notice to allow an individual to exercise his or her rights without referral to the formal rules.

(3) As a minimum, the caption shall include:

(i) The official title (normally the system manager) and official address to which the request is to be directed;

(ii) The specific information required to determine if there is a record of the individual in the system.

(iii) Identification of the offices through which the individual may obtain access; and

(iv) A description of any proof of identity required (see §310.30(c)(1)).

(4) When appropriate, the individual may be referred to a Component official who shall provide this data to him or her.

(m) *Record access procedures.* (1) If the record system has been exempted from subsection (e)(4)(H) of the Privacy Act (5 U.S.C. 552a) (see §310.50(d)), so indicate.

(2) For all nonexempt records systems, describe the procedures under which individuals may obtain access to the records pertaining to them in the system.

(3) When appropriate, the individual may be referred to the system manager or Component official to obtain access procedures.

(4) Do not repeat the addresses listed in the Component address directory but refer the individual to that directory.

(n) *Contesting record procedures.* (1) If the record system has been exempted from subsection (e)(4)(H) of the Privacy Act (5 U.S.C. 552a) (see §310.50(d)), so indicate.

(2) For all nonexempt systems of records, state briefly how an individual may contest the content of a record pertaining to him or her in the system.

(3) The detailed procedures for contesting record accuracy, refusal of access or amendment, or initial review and appeal need not be included if they are readily available elsewhere and can be referred to by the public. (For example, ''The Defense Mapping Agency rules for contesting contents and for appealing initial determinations are contained in DMA Instruction 5400.11 (32 CFR part 295c).'')

(4) The individual may also be referred to the system manager to determine these procedures.

(o) *Record source categories.* (1) If the record system has been exempted from subsection (e)(4)(I) of the Privacy Act (5 U.S.C. 552a) (see §310.50(d), subpart F), so indicate.

(2) For all nonexempt systems of records, list the sources of the information in the system.

(3) Specific individuals or institutions need not be identified by name, particularly if these sources have been granted confidentiality (see § 310.52(b), subpart F).

(p) *System exempted from certain provisions of the Act.* (1) If no exemption has been claimed for the system, indicate ''None.''

(2) If there is an exemption claimed indicate specifically under which subsection of the Privacy Act (5 U.S.C. 552a) it is claimed.

(3) Cite the regulation and CFR section containing the exemption rule for the system. (For example, ''Parts of this record system may be exempt under Title 5 U.S. Code, 552a(k)(2) and (5), as applicable. See exemption rules contained in Army Regulation 340–21 (32 CFR part 505).'')

(q) *Maintaining the master DoD system notice registry.* (1) The Defense Privacy Office, ODASD(A) maintains a master registry of all DoD record systems notices.

(2) Coordinate with the Defense Privacy Office, ODASD(A) to ensure that all new systems are added to the master registry and all amendments and alterations are incorporated into the master registry.

[51 FR 2364, Jan. 16, 1986. Redesignated at 56 FR 55631, Oct. 29, 1991, as amended at 56 FR 57800, Nov. 14, 1991]

§ 310.63 New and altered record systems.

(a) *Criteria for a new record system.* (1) A new system of records is one for which there has been no system notice published in the FEDERAL REGISTER.

(2) If a notice for a system of records has been canceled or deleted before reinstating or reusing the system, a new system notice must be published in the FEDERAL REGISTER.

(b) *Criteria for an altered record system.* A system is considered altered whenever one of the following actions occurs or is proposed:

(1) A significant increase or change in the number or type of individuals about whom records are maintained.

(i) Only changes that alter significantly the character and purpose of the record system are considered alterations.

(ii) Increases in numbers of individuals due to normal growth are not considered alterations unless they truly alter the character and purpose of the system;

(iii) Increases that change significantly the scope of population covered (for example, expansion of a system of records covering a single command's enlisted personnel to include all of the Component's enlisted personnel would be considered an alteration).

(iv) A reduction in the number of individuals covered is not an alteration, but only an amendment (see paragraph (a) of § 310.64 of this subpart).

(v) All changes that add new categories of individuals to system coverage require a change to the ''Categories of individuals covered by the system'' caption of the notice (§ 310.62(e)) and may require changes to the ''Purpose(s)'' caption (§ 310.62(h)).

(2) An expansion in the types or categories of information maintained.

(i) The addition of any new category of records not described under the ''Categories of Records in System'' caption is considered an alteration.

(ii) Adding a new data element which is clearly within the scope of the categories of records described in the existing notice is an amendment (see § 310.64(a) of this subpart).

(iii) All changes under this criterion require a change to the ''Categories of Records in System'' caption of the notice (see § 310.62(f) of this subpart).

(3) An alteration in the manner in which the records are organized or the manner in which the records are indexed and retrieved.

(i) The change must alter the nature of use or scope of the records involved (for example, combining records systems in a reorganization).

(ii) Any change under this criteria requires a change in the ''Retrievability'' caption of the system notice (see § 310.62(j)(2) of this subpart).

(iii) If the records are no longer retrieved by name or personal identifier cancel the system notice (see § 310.10(a) of subpart B).

(4) A change in the purpose for which the information in the system is used.

(i) The new purpose must not be compatible with the existing purposes for which the system is maintained or a use that would not reasonably be expected to be an alteration.

(ii) If the use is compatible and reasonably expected, there is no change in purpose and no alteration occurs.

(iii) Any change under this criterion requires a change in the ''Purpose(s)'' caption (see § 310.62(h) of this subpart) and may require a change in the ''Authority for maintenance of the system'' caption (see § 310.62(g) of this subpart).

(5) Changes that alter the computer environment (such as changes to equipment configuration, software, or procedures) so as to create the potential for greater or easier access.

(i) Increasing the number of offices with direct access is an alteration.

(ii) Software releases, such as operating systems and system utilities that provide for easier access are considered alterations.

(iii) The addition of an on-line capability to a previously batch-oriented system is an alteration.

(iv) The addition of peripheral devices such as tape devices, disk devices, card readers, printers, and similar devices to an existing ADP system constitute an amendment if system security is preserved (see paragraph (a) of § 310.64 of this subpart).

(v) Changes to existing equipment configuration with on-line capability need not be considered alterations to the system if:

(A) The change does not alter the present security posture; or

(B) The addition of terminals does not extend the capacity of the current operating system and existing security is preserved;

(vi) The connecting of two or more formerly independent automated systems or networks together creating a potential for greater access is an alteration.

(vii) Any change under this caption requires a change to the ''Storage'' caption element of the systems notice (see § 310.62(j)(1) of this subpart).

(c) *Reports of new and altered systems.* (1) Submit a report of a new or altered system to the Defense Privacy Office before collecting information for or using a new system or altering an existing system (see appendix F and paragraph (d) of this section).

(2) The Defense Privacy Office, ODASD(A) coordinates all reports of new and altered systems with the Office of the Assistant Secretary of Defense (Legislative Affairs) and the Office of the General Counsel, Department of Defense.

(3) The Defense Privacy Office prepares for the DASD(A)'s approval and signature the transmittal letters sent to OMB and Congress (see paragraph (e) of this section).

(d) *Time restrictions on the operation of a new or altered system.* (1) All time periods begin from the date the DASD(A) signs the transmittal letters (see paragraph (c)(3) of this section). The specific time limits are:

(i) 60 days must elapse before data collection forms or formal instructions pertaining to the system may be issued.

(ii) 60 days must elapse before the system may become operational; (that is, collecting, maintaining, using, or disseminating records from the system) (see also § 310.60(f) of this subpart).

(iii) 60 days must elapse before any public issuance of a Request for Proposal or Invitation to Bid for a new ADP or telecommunication system.

NOTE: Requests for delegation of procurement authority may be submitted to the General Services Administration during the 60 days' waiting period, but these shall include language that the Privacy Act reporting criteria have been reviewed and that a system report is required for such procurement.

(iv) Normally 30 days must elapse before publication in the FEDERAL REGISTER of the notice of a new or altered system (see § 310.60(f) of this subpart) and the preamble to the FEDERAL REGISTER notice must reflect the date the transmittal letters to OMB and Congress were signed by DASD(A).

(2) Do not operate a system of records until the waiting periods have expired (see § 310.103 of subpart K).

(e) *Outside review of new and altered systems reports.* If no objections are received within 30 days of a submission to the President of the Senate, Speaker of the House of Representatives, and the Director, OMB, of a new or altered system report it is presumed that the

new or altered systems have been approved as submitted.

(f) *Exemptions for new systems.* See § 310.60(e) of this subpart for the procedures to follow in submitting exemption rules for a new system of records.

(g) *Waiver of time restrictions.* (1) The OMB may authorize a federal agency to begin operation of a system of records before the expiration of time limits set forth in § 310.63(d) of this subpart.

(2) When seeking such a waiver, include in the letter of transmittal to the Defense Privacy Office, ODASD(A) an explanation why a delay of 60 days in establishing the system of records would not be in the public interest. The transmittal must include:

(i) How the public interest will be affected adversely if the established time limits are followed; and

(ii) Why earlier notice was not provided.

(3) When appropriate, the Defense Privacy Office, ODASD(A) shall contact OMB and attempt to obtain the waiver.

(i) If a waiver is granted, the Defense Privacy Office, ODASD(A) shall notify the subcommittee and submit the new or altered system notice along with any applicable procedural or exemption rules for publication in the FEDERAL REGISTER.

(ii) If the waiver is disapproved, the Defense Privacy Office, ODASD(A) shall process the system the same as any other new or altered system and notify the subcommittee of the OMB decision.

(4) Under no circumstances shall the routine uses for new or altered system be implemented before 30 days have elapsed after publication of the system notice containing the routine uses in the FEDERAL REGISTER. This period cannot be waived.

[51 FR 2364, Jan. 16, 1986. Redesignated at 56 FR 55631, Oct. 29, 1991, as amended at 56 FR 57800, Nov. 14, 1991]

§ 310.64 Amendment and deletion of systems notices.

(a) *Criteria for an amended system notice.* (1) Certain minor changes to published systems notices are considered amendments and not alterations (see § 310.63(b) of this subpart).

(2) Amendments do not require a report of an altered system (see § 310.63(c) of this subpart), but must be published in the FEDERAL REGISTER.

(b) *System notices for amended systems.* When submitting an amendment for a system notice for publication in the FEDERAL REGISTER include:

(1) The system identification and name (see paragraph (b) and (c) of § 310.62 of this subpart).

(2) A description of the nature and specific changes proposed.

(3) The full text of the system notice is not required if the master registry contains a current system notice for the system (see § 310.62(q) of this subpart).

(c) *Deletion of system notices.* (1) Whenever a system is discontinued, combined into another system, or determined no longer to be subject to this part, a deletion notice is required.

(2) The notice of deletion shall include:

(i) The system identification and name.

(ii) The reason for the deletion.

(3) When the system is eliminated through combination or merger, identify the successor system or systems in the deletion notice.

(d) *Submission of amendments and deletions for publication.* (1) Submit amendments and deletions to the Defense Privacy Office, ODASD(A) for transmittal to the FEDERAL REGISTER for publication.

(2) Include in the submission at least one original (not a reproduced copy) in proper FEDERAL REGISTER format (see appendix G).

(3) Multiple deletions and amendments may be combined into a single submission.

[51 FR 2364, Jan. 16, 1986. Redesignated at 56 FR 55631, Oct. 29, 1991, as amended at 56 FR 57801, Nov. 14, 1991]

Subpart H—Training Requirements

§ 310.70 Statutory training requirements.

The Privacy Act of 1974, as amended (5 U.S.C. 552a), requires each agency to establish rules of conduct for all persons involved in the design, development, operation, and maintenance of

any system of record and to train these persons with respect to these rules.

§ 310.71 OMB training guidelines.

The OMB guidelines require all agencies additionally to:

(a) Instruct their personnel in their rules of conduct and other rules and procedures adopted in implementing the Act, and inform their personnel of the penalties for noncompliance.

(b) Incorporate training on the special requirements of the Act into both formal and informal (on-the-job) training programs.

§ 310.72 DoD training programs.

(a) To meet these training requirements, establish three general levels of training for those persons who are involved in any way with the design, development, operation, or maintenance of any system of records. These are:

(1) *Orientation.* Training that provides basic understanding of this Regulation as it applies to the individual's job performance. This training shall be provided to personnel, as appropriate, and should be a prerequisite to all other levels of training.

(2) *Specialized training.* Training that provides information as to the application of specific provisions of this part to specialized areas of job performance. Personnel of particular concern include, but are not limited to personnel specialists, finance officers, special investigators, paperwork managers, and other specialists (reports, forms, records, and related functions), computer systems development personnel, computer systems operations personnel, statisticians dealing with personal data and program evaluations, and anyone responsible for implementing or carrying out functions under this part.

(3) *Management.* Training designed to identify for responsible managers (such as, senior system managers, denial authorities, decision-makers, and the managers of the functions described in § 310.70 of this subpart) considerations that they shall take into account when making management decisions regarding the Defense Privacy Program.

(b) Include Privacy Act training in courses of training when appropriate. Stress individual responsibilities and advise individuals of their rights and responsibilities under this part.

[51 FR 2364, Jan. 16, 1986. Redesignated at 56 FR 55631, Oct. 29, 1991, as amended at 56 FR 57801, Nov. 14, 1991]

§ 310.73 Training methodology and procedures.

(a) Each DoD Component is responsible for the development of training procedures and methodology.

(b) The Defense Privacy Office, ODASD(A) will assist the Components in developing these training programs and may develop Privacy training programs for use by all DoD Components.

(c) All training programs shall be coordinated with the Defense Privacy Office, ODASD(A) to avoid duplication and to ensure maximum effectiveness.

§ 310.74 Funding for training.

Each DoD Component shall fund its own Privacy training program.

Subpart I—Reports

§ 310.80 Requirements for reports.

The Defense Privacy Office, ODASD(A) shall establish requirements for DoD Privacy Reports and DoD Components may be required to provide data.

§ 310.81 Suspense for submission of reports.

The suspenses for submission of all reports shall be established by the Defense Privacy Office, ODASD(A).

§ 310.82 Reports control symbol.

Any report established by this subpart in support of the Defense Privacy Program shall be assigned Report Control Symbol DD–COMP(A)1379. Special one-time reporting requirements shall be licensed separately in accordance with DoD Directive 5000.19 ''Policies for the Management and Control of Information Requirements'' and DoD Directive 5000.11, ''Data Elements and Data Codes Standardization Program.''

Subpart J—Inspections

§ 310.90 Privacy Act inspections.

During internal inspections, Component inspectors shall be alert for compliance with this part and for managerial, administrative, and operational problems associated with the implementation of the Defense Privacy Program.

§ 310.91 Inspection reporting.

(a) Document the findings of the inspectors in official reports that are furnished the responsible Component officials. These reports, when appropriate, shall reflect overall assets of the Component Privacy Program inspected, or portion thereof, identify deficiencies, irregularities, and significant problems. Also document remedial actions taken to correct problems identified.

(b) Retain inspections reports and later follow-up reports in accordance with established records disposition standards. These reports shall be made available to the Privacy Program officials concerned upon request.

Subpart K—Privacy Act Enforcement Actions

§ 310.100 Administrative remedies.

Any individual who feels he or she has a legitimate complaint or grievance against the Department of Defense or any DoD employee concerning any right granted by this part shall be permitted to seek relief through appropriate administrative channels.

§ 310.101 Civil actions.

An individual may file a civil suit against a DoD Component or its employees if the individual feels certain provisions of the Act have been violated (see 5 U.S.C. 552a(g), of the Privacy Act.

§ 310.102 Civil remedies.

In addition to specific remedial actions, subsection (g) of the Privacy Act (5 U.S.C. 552a) provides for the payment of damages, court cost, and attorney fees in some cases.

§ 310.103 Criminal penalties.

(a) The Act also provides for criminal penalties (see 5 U.S.C. 552a(i). Any official or employee may be found guilty of a misdemeanor and fined not more than $5,000 if he or she willfully:

(1) Discloses personal information to anyone not entitled to receive the information (see subpart E); or

(2) Maintains a system of records without publishing the required public notice in the FEDERAL REGISTER (see subpart G).

(b) A person who requests or obtains access to any record concerning another individual under false pretenses may be found guilty of misdemeanor and fined up to $5,000.

§ 310.104 Litigation status sheet.

Whenever a complaint citing the Privacy Act is filed in a U.S. District Court against the Department of Defense, a DoD Component, or any DoD employee, the responsible system manager shall notify promptly the Defense Privacy Office, ODASD(A). The litigation status sheet at appendix H provides a standard format for this notification. The initial litigation status sheet forwarded shall, as a minimum, provide the information required by items 1 through 6. A revised litigation status sheet shall be provided at each stage of the litigation. When a court renders a formal opinion or judgment, copies of the judgment and opinion shall be provided to the Defense Privacy Office with the litigation status sheet reporting that judgment or opinion.

Subpart L—Matching Program Procedures

§ 310.110 OMB matching guidelines.

The OMB has issued special guidelines to be followed in programs that match the personal records in the computerized data bases of two or more federal agencies by computer (see appendix I). These guidelines are intended to strike a balance between the interest of the government in maintaining the integrity of federal programs and the need to protect individual privacy expectations. They do not authorize matching programs as such

and each matching program must be justified individually in accordance with the OMB guidelines.

§310.111 Requesting matching programs.

(a) Forward all requests for matching programs to include necessary routine use amendments (see §310.62(i) of subpart G) and analysis and proposed matching program reports (see subsection E.6. of appendix I) to the Defense Privacy Office, ODASD(A).

(b) The Defense Privacy Office shall review each request and supporting material and forward the report and system notice amendments to the FEDERAL REGISTER, OMB, and Congress, as appropriate.

(c) Changes to existing matching programs shall be processed in the same manner as a new matching program report.

§310.112 Time limits for submitting matching reports.

(a) No time limits are set by the OMB guidelines. However, in order to establish a new routine use for a matching program, the amended system notice must have been published in the FEDERAL REGISTER at least 30 days before implementation (see §310.60(f) of subpart G).

(b) Submit the documentation required by §310.111(a) of this subpart to the Defense Privacy Office at least 45 days before the proposed initiation date of the matching program.

(c) The Defense Privacy Office may grant waivers to the 45 days' deadline for good cause shown. Requests for waivers shall be in writing and fully justified.

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§310.113 Matching programs among DoD components.

(a) For the purpose of the OMB guidelines, the Department of Defense and all DoD Components are considered a single agency.

(b) Before initiating a matching program using only the records of two or more DoD Components, notify the Defense Privacy Office that the match is to occur. The Defense Privacy Office may request further information from the Component proposing the match.

(c) There is no need to notify the Defense Privacy Office of computer matches using only the records of a single Component.

§310.114 Annual review of systems of records.

The system manager shall review annually each system of records to determine if records from the system are being used in matching programs and whether the OMB Guidelines have been complied with.

APPENDIX A TO PART 310—SPECIAL CONSIDERATIONS FOR SAFEGUARDING PERSONAL INFORMATION IN ADP SYSTEMS

(See paragraph (b) of §310.13, subpart B)

A. General

1. The Automated Data Processing (ADP) environment subjects personal information to special hazards as to unauthorized compromise alteration, dissemination, and use. Therefore, special considerations must be given to safeguarding personal information in ADP systems.

2. Personal information must also be protected while it is being processed or accessed in computer environments outside the data processing installation (such as, remote job entry stations, terminal stations, minicomputers, microprocessors, and similar activities).

3. ADP facilities authorized to process classified material have adequate procedures and security for the purposes of this Regulation. However, all unclassified information subject to this Regulation must be processed following the procedures used to process and access information designated ''For Official Use Only'' (see ''DoD Freedom of Information Act Program'' (32 CFR part 286)).

B. Risk Management and Safeguarding Standards

1. Establish administrative, technical, and physical safeguards that are adequate to protect the information against unauthorized disclosure, access, or misuse (see Transmittal Memorandum No. 1 to OMB Circular A–71—Security of Federal Automated Information Systems).

2. Technical and physical safeguards alone will not protect against unintentional compromise due to errors, omissions, or poor procedures. Proper administrative controls generally provide cheaper and surer safeguards.

3. Tailor safeguards to the type of system, the nature of the information involved, and the specific threat to be countered.

C. Minimum Administrative Safeguard

The minimum safeguarding standards as set forth in paragraph (b) of §310.13, subpart B apply to all personal data within any ADP system. In addition:

1. Consider the following when establishing ADP safeguards:

a. The sensitivity of the data being processed, stored and accessed;

b. The installation environment;

c. The risk of exposure;

d. The cost of the safeguard under consideration.

2. Label or designate output and storage media products (intermediate and final) containing personal information that do not contain classified material in such a manner as to alert those using or handling the information of the need for special protection. Designating products ''For Official Use Only'' in accordance with subpart E of 32 CFR part 286, ''DoD Freedom of Information Act Program,'' satisfies this requirement.

3. Mark and protect all computer products containing classified data in accordance with the DoD Information Security Program Regulation (32 CFR part 159) and the ADP Security Manual (DoD 5200.28–M).

4. Mark and protect all computer products containing ''For Official Use Only'' material in accordance with subpart E of 32 CFR part 286.

5. Ensure that safeguards for protected information stored at secondary sites are appropriate.

6. If there is a computer failure, restore all protected information being processed at the time of the failure using proper recovery procedures to ensure data integrity.

7. Train all ADP personnel involved in processing information subject to this part in proper safeguarding procedures.

D. Physical Safeguards

1. For all unclassified facilities, areas, and devices that process information subject to this part, establish physical safeguards that protect the information against reasonably identifiable threats that could result in unauthorized access or alteration.

2. Develop access procedures for unclassified computer rooms, tape libraries, micrographic facilities, decollating shops, product distribution areas, or other direct support areas that process or contain personal information subject to this part that control adequately access to these areas.

3. Safeguard on-line devices directly coupled to ADP systems that contain or process information from systems of records to prevent unauthorized disclosure use or alteration.

4. Dispose of paper records following appropriate record destruction procedures.

E. Technical Safeguards

1. The use of encryption devices solely for the purpose of protecting unclassified personal information transmitted over communication circuits or during processing in computer systems is normally discouraged. However, when a comprehensive risk assessment indicates that encryption is cost-effective it may be used.

2. Remove personal data stored on magnetic storage media by methods that preclude reconstruction of the data.

3. Ensure that personal information is not inadvertently disclosed as residue when transferring magnetic media between activities.

4. When it is necessary to provide dial-up remote access for the processing of personal information, control access by computer-verified passwords. Change passwords periodically or whenever compromise is known or suspected.

5. Normally the passwords shall give access only to those data elements (fields) required and not grant access to the entire data base.

6. Do not rely totally on proprietary software products to protect personnel data during processing or storage.

F. Special Procedures

1. System Managers shall:

a. Notify the ADP manager whenever personal information subject to this Regulation is to be processed by an ADP facility.

b. Prepare and submit for publication all system notices and amendments and alterations thereto (see paragraph (f) of §310.60 of subpart G).

c. Identify to the ADP manager those activities and individuals authorized access to the information and notify the manager of any changes to the access authorizations.

2. ADP personnel shall:

a. Permit only authorized individuals access to the information.

b. Adhere to the established information protection procedures and rules of conduct.

c. Notify the system manager and ADP manager whenever unauthorized personnel seek access to the information.

3. ADP installation managers shall:

a. Maintain an inventory of all computer program applications used to process information subject to this part to include the identity of the systems of records involved.

b. Verify that requests for new programs or changes to existing programs have been published as required (see paragraphs (a) and (b) of §310.63, subpart G).

c. Notify the system manager whenever changes to computer installations, communications networks, or any other changes in the ADP environment occur that require an altered system report be submitted (see paragraph (b) of §310.63, subpart G).

G. Record Disposal

1. Dispose of records subject to this part so as to prevent compromise (see paragraph (c) of §310.13 of subpart B). Magnetic tapes or other magnetic medium, may be cleared by degaussing, overwriting, or erasing. Unclassified carbon ribbons are considered destroyed when placed in a trash receptacle.

2. Do not use respliced waste computer products containing personal data.

H. Risk Assessment for ADP Installations That Process Personal Data

1. A separate risk assessment is not required for ADP installations that process classified material. A simple certification by the appropriate ADP official that the facility is cleared to process a given level of classified material (such as, Top Secret, Secret, or Confidential) and that the procedures followed in processing ''For Official Use Only'' material are to be followed in processing personal data subject to this Regulation is sufficient to meet the risk assessment requirement.

2. Prepare a formal risk assessment for each ADP installation (to include those activities with terminals and devices having access to ADP facilities) that processes personal information subject to this part and that do not process classified material.

3. Address the following in the risk assessment:

a. Identify the specific systems of records supported and determine their impact on the mission of the user.

b. Identify the threats (internal, external, and natural) to the data.

c. Determine the physical and operational (to include software) vulnerabilities.

d. Evaluate the relationships between vulnerabilities and threats.

e. Assess the impact of unauthorized disclosure or modification of the personal information.

f. Identify possible safeguards and their relationships to the threats to be countered.

g. Analyze the economic feasibility of adopting the identified safeguards.

h. Determine the safeguard to be used and develop implementation plans.

i. Discuss contingency plans including operational exercise plans.

j. Determine if procedures proposed are consistent with those identified in the system notices for system of records concerned.

k. Include a vulnerability assessment.

3. The risk assessment shall be reviewed by the appropriate Component officials.

4. Conduct a risk assessment at least every 5 years or when there is a change to the installation, its hardware, software, or administrative procedures that increase or decrease the likelihood of compromise or present new threats to the information.

5. Protect the risk assessment as it is a sensitive document.

6. Retain a copy of the risk assessment at the installation and make it available to appropriate inspectors and authorized personnel.

7. Include a summary of the current risk assessment with any report of new or altered system submitted in accordance with paragraph (c) of §310.63, subpart G, for any system from which information will be processed.

8. Complete a formal risk assessment at the beginning of the design phase for each new unclassified ADP installation and before beginning the processing of personal data on a regular basis in existing ADP facility that do not process classified data.

[51 FR 2364, Jan. 16, 1986. Redesignated at 56 FR 55631, Oct. 29, 1991, as amended at 56 FR 57801, Nov. 14, 1991]

APPENDIX B TO PART 310—SPECIAL CONSIDERATIONS FOR SAFEGUARDING PERSONAL INFORMATION DURING WORD PROCESSING

(See paragraph (b) of §310.13, subpart B)

A. Introduction

1. Normally, word processing support is provided under two general concepts. They are:

a. Word processing centers (WPCs), and

b. Work groups or clusters.

2. A WPC generally provides support to one or more functional areas. Characteristically, the customer delivers (by written draft or dictation) the information to be processed to the WPC. The WPC process the information and returns it to the customer. There are generally two types of WPCs.

a. A WPC may operate independent of the customer's functon, providing service in much the same manner as a data processing installation provides ADP support, or a message center provides electronic message service, or

b. A WPC may work within a customer's function providing support to that function. The support being centralized in a WPC to take advantage of increased productivity.

3. A work group or cluster generally consists of one or more pieces of word processing equipment that are integrated into the functional office support system. The overall word processing and functional management may be one and the same. Depending on the size of the support job, there may be a work

group or cluster manager. Normally, however, they will be located within or in close proximity to the functional area supported. Information flows in and out of the work group or cluster by normal office routine and the personnel are an integral part of the office staff.

B. Minimum Standards of Protection

1. Regardless of configuration (WPC or work group), all personal data processed using word processing equipment shall be afforded the standards of protection required by paragaph (b) of §310.13, subpart B.

2. The remaining special considerations discussed in this appendix are primarily for WPCs operating independent of the customer's function. However, managers of other WPCs, work groups, and work clusters are encouraged to consider and adopt, when appropriate, the special considerations discussed herein.

3. WPCs that are not independent of a customer's function, work groups, and work clusters are not required to prepare formal written risk assessments (see section H., below).

C. WPC Information Flow

1. In analyzing procedures required to safeguard adequately personal information in a WPC, the basic elements of WPC information flow and control must be considered. These are:

a. Information receipt.

b. Information processing.

c. Information return.

d. Information storage or filing.

2. WPCs do not control information acquisition or its ultimate use by the customers and, therefore, these are not addressed.

D. Safeguarding Information During Receipt

1. The word processing manager shall establish procedures.

a. That require each customer who requests that information subject to this part be processed to identify specifically that information to the WPC personnel. This may be done by:

(1) Providing a check-off type entry on the WPC work requests;

(2) Requiring that the WPC work requests be stamped with a special legend, or that a special notation be made on the work requests;

(3) Predesignating specifically a class of documents as coming within the provisions of this part (such as, all officer effectiveness reports, all recall rosters, and all medical protocols).

(4) Using a special cover sheet both to alert the WPC personnel as to the type information, and to protect the document during transmittal;

(5) Requiring an oral warning on all dictation; or

(6) Any other procedures that ensure the WPC personnel are alerted to the fact that personal data subject to this part is to be processed.

b. To ensure that the operators or other WPC personnel receiving data for processing that has not been identified to be under the provisions of this part but that appear to be personal promptly call the information to the attention of the WPC supervisor or the customer;

c. To ensure that any request for the processing of personal data that the customer has not identified as being in a system of records and that appears to meet the criteria set forth in paragraph (a) of §310.10, subpart B is called to the attention of the appropriate supervisory personnel and system manager.

2. The WPC supervisor shall ensure that personal information is not inadvertently compromised within the WPC.

E. Safeguarding Information During Processing

1. Each WPC supervisor shall establish internal safeguards that shall protect personal data from compromise while it is being processed.

2. Physical safeguards may include:

a. Controls on individual access to the center;

b. Machine configurations that reduce external access to the information being processed, or arrangements that alert the operator to the presence of others;

c. Using certain specific machines to process personal data;

d. Any other physical safeguards, to include special technical arrangements that will protect the data during processing.

3. Other safeguards may include:

a. Using only certain selected operators to process personal data;

b. Processing personal data only at certain times during the day without the WPC manager's specific authorization;

c. Using only certain tapes or diskettes to process and store personal data;

d. Using continuous tapes for dictation of personal data;

e. Requiring all WPC copies of documents to be marked specifically so as to prevent inadvertent compromise;

f. Returning extra copies and mistakes to the customer with the product;

g. Disposing of waste containing personal data in a special manner;

h. Any other local procedures that provide adequate protection to the data being processed.

F. Safeguarding Information During Return

1. The WPC shall protect the data until it is returned to the customer or placed into a formal distribution channel.

2. In conjunction with the appropriate administrative support personnel and the WPC customers, the WPC manager shall establish procedures that protect the information from the time word processing is completed until it is returned to the customer.

3. Safeguarding procedures may include:

a. Releasing products only to specifically identifiable individuals;

b. Using sealed envelopes to transmit products to the customer;

c. Using special cover sheets to protect products similar to the one discussed in subparagraph D.1.a.(4), above;

d. Handcarrying products to the customers;

e. Using special messengers to return the products;

f. Any other procedures that protect adequately products from compromise while they are awaiting return or being returned to the customer.

G. Safeguards During Storage

1. The WPC manager shall ensure that all personal data retained in the center for any purpose (including samples) are protected properly.

2. Safeguarding procedures may include:

a. Marking all hard copies retained with special legends or designators;

b. Storing media containing personal data in separate files or areas;

c. Marking the storage containers for media containing personal data with special legends or notations;

d. Restricting the reuse of media used to process personal data or erasing automatically the media before reuse;

e. Establishing special criteria for the WPC retention of media used to store and process personal data;

f. Returning the media to the customer for retention with the file copies of the finished products;

g. Discouraging, when practical, the long-term storage of personal data in any form within the WPC;

h. Any other filing or storage procedures that safeguard adequately any personal information retained or filed within the WPC.

H. Risk Assessment for WPCs

1. Each WPC manager shall ensure that a formal, written risk assessment is prepared for each WPC that processes personal information subject to this part.

2. The assessment shall address the areas discussed in sections D., E., F., and G. of this appendix, as well as any special risks that the WPC location, configuration, or organization may present to the compromise or alteration of personal data being processed or stored.

3. A risk assessment shall be conducted at least every 5 years or whenever there is a change of equipment, equipment configuration, WPC location, WPC configuration or modification of the WPC facilities that either increases or decreases the likelihood of compromise of personal data.

4. Copies of the assessment shall be retained by the WPC manager and made available to appropriate inspectors, as well as to personnel studying equipment for facility upgrading or modification.

5. Every new WPC shall have a formal risk assessment completed before beginning the processing of personal data.

I. Special Considerations in WPC Design and Modification

Procedures shall be established to ensure that all personnel involved in the design of WPCs or the acquisition of word processing equipment are aware of the special considerations required when processing personal data subject to this part.

[51 FR 2364, Jan. 16, 1986. Redesignated at 56 FR 55631, Oct. 29, 1991, as amended at 56 FR 57801, Nov. 14, 1991]

APPENDIX C TO PART 310—DOD BLANKET ROUTINE USES

(See paragraph (e) of §310.41, subpart E)

A. Routine Use—Law Enforcement

If a system of records maintained by a DoD Component to carry out its functions indicates a violation or potential violation of law, whether civil, criminal, or regulatory in nature, and whether arising by general statute or by regulation, rule, or order issued pursuant thereto, the relevant records in the system of records may be referred, as a routine use, to the agency concerned, whether federal, state, local, or foreign, charged with the responsibility of investigating or prosecuting such violation or charged with enforcing or implementing the statute, rule, regulation, or order issued pursuant thereto.

B. Routine Use—Disclosure when Requesting Information

A record from a system of records maintained by a Component may be disclosed as a routine use to a federal, state, or local agency maintaining civil, criminal, or other relevant enforcement information or other pertinent information, such as current licenses, if necessary to obtain information relevant to a Component decision concerning the hiring or retention of an employee, the issuance of a security clearance, the letting of a contract, or the issuance of a license, grant, or other benefit.

C. Routine Use—Disclosure of Requested Information

A record from a system of records maintained by a Component may be disclosed to a federal agency, in response to its request, in connection with the hiring or retention of an employee, the issuance of a security clearance, the reporting of an investigation of an employee, the letting of a contract, or the issuance of a license, grant, or other benefit by the requesting agency, to the extent that the information is relevant and necessary tothe requesting agency's decision on the matter.

D. Routine Use—Congressional Inquiries

Disclosure from a system of records maintained by a Component may be made to a congressional office from the record of an individual in response to an inquiry from the congressional office made at the request of that individual.

E. Routine Use—Private Relief Legislation

Relevant information contained in all systems of records of the Department of Defense published on or before August 22, 1975, will be disclosed to the OMB in connection with the review of private relief legislation as set forth in OMB Circular A–19 (reference (u)) at any stage of the legislative coordination and clearance process as set forth in that Circular.

F. Routine Use—Disclosures Required by International Agreements

A record from a system of records maintained by a Component may be disclosed to foreign law enforcement, security, investigatory, or administrative authorities to comply with requirements imposed by, or to claim rights conferred in, international agreements and arrangements including those regulating the stationing and status in foreign countries of DoD military and civilian personnel.

G. Routine Use—Disclosure to State and Local Taxing Authorities

Any information normally contained in Internal Revenue Service (IRS) Form W–2 which is maintained in a record from a system of records maintained by a Component may be disclosed to state and local taxing authorities with which the Secretary of the Treasury has entered into agreements under 5 U.S.C., sections 5516, 5517, and 5520 (reference (v)) and only to those state and local taxing authorities for which an employee or military member is or was subject to tax regardless of whether tax is or was withheld. This routine use is in accordance with Treasury Fiscal Requirements Manual Bulletin No. 76–07.

H. Routine Use—Disclosure to the Office of Personnel Management

A record from a system of records subject to the Privacy Act and maintained by a Component may be disclosed to the Office of Personnel Management (OPM) concerning information on pay and leave, benefits, retirement deduction, and any other information necessary for the OPM to carry out its legally authorized government-wide personnel management functions and studies.

I. Routine Use—Disclosure to the Department of Justice for Litigation

A record from a system of records maintained by this component may be disclosed as a routine use to any component of the Department of Justice for the purpose of representing the Department of Defense, or any officer, employee or member of the Department in pending or potential litigation to which the record is pertinent.

J. Routine Use—Disclosure to Military Banking Facilities Overseas

Information as to current military addresses and assignments may be provided to military banking facilities who provide banking services overseas and who are reimbursed by the Government for certain checking and loan losses. For personnel separated, discharged, or retired from the Armed Forces, information as to last known residential or home of record address may be provided to the military banking facility upon certification by a banking facility officer that the facility has a returned or dishonored check negotiated by the individual or the individual has defaulted on a loan and that if restitution is not made by the individual, the U.S. Government will be liable for the losses the facility may incur.

K. Routine Use—Disclosure of Information to the General Services Administration (GSA)

A record from a system of records maintained by this component may be disclosed as a routine use to the General Services Administration (GSA) for the purpose of records management inspections conducted under authority of 44 U.S.C. 2904 and 2906.

L. Routine Use—Disclosure of Information to the National Archives and Records Administration (NARA)

A record from a system of records maintained by this component may be disclosed as a routine use to the National Archives and Records Administration (NARA) for the purpose of records management inspections conducted under authority of 44 U.S.C. 2904 and 2906.

M. Routine Use—Disclosure to the Merit Systems Protection Board

A record from a system of records maintained by this component may be disclosed as a routine use to the Merit Systems Protection Board, including the Office of the Special Counsel for the purpose of litigation, including administrative proceedings, appeals, special studies of the civil service and other merit systems, review of OPM or component rules and regulations, investigation of alleged or possible prohibited personnel practices; including administrative proceedings involving any individual subject of a DoD investigation, and such other functions, promulgated in 5 U.S.C. 1205 and 1206, or as may be authorized by law.

N. Routine Use-Counterintelligence Purpose

A record from a system of records maintained by this component may be disclosed as a routine use outside the DoD or the U.S. Government for the purpose of counterintelligence activities authorized by U.S. Law or Executive Order or for the purpose of enforcing laws which protect the national security of the United States.

[51 FR 2364, Jan. 16, 1986. Redesignated at 56 FR 55631, Oct. 29, 1991, as amended at 56 FR 57801, Nov. 14, 1991; 62 FR 18518, Apr. 16, 1997]

APPENDIX D TO PART 310—PROVISIONS OF THE PRIVACY ACT FROM WHICH A GENERAL OR SPECIFIC EXEMPTION MAY BE CLAIMED

[See paragraph (d) of § 310.50, subpart F]

Exemption		Section of the Privacy Act
(j)(2)	(k)(1–7)	
No	No	(b)(1) Disclosures within the Department of Defense.
No	No	(2) Disclosures to the public.
No	No	(3) Disclosures for a ''routine use.''
No	No	(4) Disclosures to the Bureau of Census.
No	No	(5) Disclosures for statistical research and reporting.
No	No	(6) Disclosures to the National Archives.
No	No	(7) Disclosures for law enforcement purposes.
No	No	(8) Disclosures under emergency circumstances.
No	No	(9) Disclosures to the Congress.
No	No	(10) Disclosures to the General Accounting Office.
No	No	(11) Disclosures pursuant to court orders.
No	No	(12) Disclosure to consumer reporting agencies.
No	No	(c)(1) Making disclosure accountings.
No	No	(2) Retaining disclosure accountings.
Yes	Yes	(c)(3) Making disclosure accounting available to the individual.
Yes	No	(c)(4) Informing prior recipients of corrections.
Yes	Yes	(d)(1) Individual access to records.
Yes	Yes	(2) Amending records.
Yes	Yes	(3) Review of the component's refusal to amend a record.
Yes	Yes	(4) Disclosure of disputed information.
Yes	Yes	(5) Access to information compiled in anticipation of civil action.
Yes	Yes	(e)(1) Restrictions on collecting information.
Yes	No	(e)(2) Collecting directly from the individual.
Yes	No	(3) Informing individuals from whom information is requested.
No	No	(e)(4)(A) Describing the name and location of the system.
No	No	(B) Describing categories of individuals.
No	No	(C) Describing categories of records.
No	No	(D) Describing routine uses.
No	No	(E) Describing records management policies and practices.
No	No	(F) Identifying responsible officials.
Yes	Yes	(e)(4)(G) Procedures for determining if a system contains a record on an individual.
Yes	Yes	(H) Procedures for gaining access.
Yes	Yes	(I) Describing categories of information sources.
Yes	No	(e)(5) Standards of accuracy.
No	No	(e)(6) Validating records before disclosure.
No	No	(e)(7) Records of first amendment activities.
No	No	(e)(8) Notification of disclosure under compulsory legal process.
No	No	(e)(9) Rules of conduct.
No	No	(e)(10) Administrative, technical and physical safeguards.
No	No	(11) Notice for new and revised routine uses.
Yes	Yes	(f)(1) Rules for determining if an individual is subject of a record.
Yes	Yes	(f)(2) Rules for handling access requests.
Yes	Yes	(f)(3) Rules for granting access.
Yes	Yes	(f)(4) Rules for amending records.
Yes	Yes	(f)(5) Rules regarding fees.
Yes	No	(g)(1) Basis for civil action.
Yes	No	(g)(2) Basis for judicial review and remedies for refusal to amend.
Yes	No	(g)(3) Basis for judicial review and remedies for denial of access.
Yes	No	(g)(4) Basis for judicial review and remedies for other failure to comply.
Yes	No	(g)(5) Jurisdiction and time limits.
Yes	No	(h) Rights of legal guardians.
No	No	(i)1) Criminal penalties for unauthorized disclosure.
No	No	(2) Criminal penalties for failure to publish.
No	No	(3) Criminal penalties for obtaining records under false pretenses.
Yes[1]	No	(j) Rulemaking requirement.
N/A	No	(j)(1) General exemption for the Central Intelligence Agency.
N/A	No	(i)(2) General exemption for criminal law enforcement records.
Yes	N/A	(k)(1) Exemption for classified material.
N/A	N/A	(k)(2) Exemption for law enforcement material.
Yes	N/A	(k)(3) Exemption for records pertaining to Presidential protection.

[See paragraph (d) of § 310.50, subpart F]

Exemption		Section of the Privacy Act
(j)(2)	(k)(1–7)	
Yes	N/A	(k)(4) Exemption for statistical records.
Yes	N/A	(k)(5) Exemption for investigatory material compiled for determining suitability for employment or service.
Yes	N/A	(k)(6) Exemption for testing or examination material.
Yes	N/A	(k)(7) Exemption for promotion evaluation materials used by the Armed Forces.
Yes	No	(l)(1) Records stored in NARA records centers.
Yes	No	(l)(2) Records archived before Sept. 27, 1975.
Yes	No	(l)(3) Records archived on or after Sept. 27, 1975.
Yes	No	(m) Applicability to Government contractors.
Yes	No	(n) Mailing lists.
Yes[1]	No	(o) Reports on new systems.
Yes[1]	No	(p) Annual report.

[1] See paragraph (d) of § 310.50, subpart F.

[51 FR 2364, Jan. 16, 1986. Redesignated at 56 FR 55631, Oct. 29, 1991, as amended at 56 FR 57801, Nov. 14, 1991; 62 FR 26389, May 14, 1997]

APPENDIX E TO PART 310—SAMPLE OF NEW OR ALTERED SYSTEM OF RECORDS NOTICE IN ''FEDERAL REGISTER'' FORMAT

(See paragraph (f) of § 310.60, subpart G)

DEPARTMENT OF DEFENSE

DEFENSE NUCLEAR AGENCY

PRIVACY ACT OF 1974; NEW SYSTEM OF RECORDS

AGENCY: Defense Nuclear Agency (DNA).

ACTION: Notice of a new record system.

SUMMARY: The Defense Nuclear Agency is adding a new system of records to its inventory of systems of records subject to the Privacy Act of 1974. The system notice for the new system is set forth below.

DATES: This system shall be effective (30 days after publication in the Federal Register) unless comments are received which result in a contrary determination.

ADDRESS: Send comments to the System Manager identified in the system notice.

FOR FURTHER INFORMATION CONTACT: Robert L. Brittigan, General Counsel, Defense Nuclear Agency, Washington, DC 20305, Telephone (202) 325–7681.

SUPPLEMENTARY INFORMATION: The Defense Nuclear Agency record system notice as prescribed by the Privacy Act of 1974 (5 U.S.C. 552a), as amended, have appeared in the FEDERAL REGISTER on September 28, 1981 (46 FR 51073) and February 16, 1982 (47 FR 6829).

The Defense Nuclear Agency has submitted a new system report on March 27, 1982, for this system of records under the provisions of 5 U.S.C. 552a(o) of the Privacy Act.

Patricia H. Means,

OSD Federal Register Liaison Officer, Department of Defense.

Sample

HDNA 609–03

System name: Personnel Exposed to Radiation from Nuclear Tests.

System Location: Headquarters, Defense Nuclear Agency, Washington, DC 20305, Main computer location.

Categories of individuals covered by the system: All DoD and DoD-affiliated personnel, military and civilian, who participated in the U.S. Government atmospheric nuclear test programs in the Pacific and at the Nevada Test Site.

Categories of records in the system: Personal information consisting of name, rank, service number, last known or current address, dates of test participation, exposure and unit of assignment.

Authority for maintenance of the system: 10 U.S.C. Section 133, Powers of an Executive Department of a Military Department to Prescribe Departmental Regulations; 10 U.S.C. Section 133, Secretary of Defense: Appointment, Powers, Duties and Delegation by; DoD Directive 5105.31, ''Defense Nuclear Agency (DNA).''

Purpose(s): To identify those individuals who may have been exposed to radiation from nuclear atmospheric test conducted by the U.S. Government in the Pacific or at the Nevada Test Site.

Information is provided to the medical services of all the Military Departments to identify military and retired personnel who were exposed to ionizing radiator during testing.

Routine uses of records maintained in the system including categories of users, and the purpose of such uses:

To the National Research Council and Center for Disease Control to determine the effects of ionizing radiation for the limited purpose of conducting epidemiological studies of the atmospheric nuclear weapons tests on DoD participants in those tests.

To the Department of Energy (DoE) to identify DoE contractor personnel exposed to ionizing radiation during nuclear testing for the limited purpose of conducting epidemiological studies of radiation effects of individuals so identified.

To the Department of Transportation (DoT) for the limited purpose of identifying DoT and DoT-affiliated personnel exposed to ionizing radiation during nuclear testing.

To the Veterans Administration to make determinations on service-connected disability for the purpose of resolving claims.

Policies and Practices for storing, retrieving, accessing, retaining, and disposing of records in the system.

Storage: Paper records in file folders; computer magnetic tape disks and printouts in secure computer facility.

Retrievability: Paper records filed in folders and computer magnetic tape and disk retrieved by name.

Safeguards: Paper records are filed in folders stored in locked security safes. Magnetic tapes stored in a vault in a secure computer area.

Retention and disposal: Paper records are retained until information is transferred to magnetic tapes; then destroyed. Magnetic tapes and disks are retained indefinitely.

System manager(s) and address: Director, Defense Nuclear Agency, Attn.: Privacy Act Officer, Washington, DC 20305, telephone (202) 325–7681.

Notification procedure: Information may be obtained from the System Manager.

Record access procedures: Requests should be addressed to the System Manager.

Contesting record procedures: The agency's rules for contesting contents and appealing initial determinations are contained in DNA Instruction 5400.11 (32 CFR part 318). Additional information may be obtained from the System Manager.

Record source categories: DNA records, searches of DoD records by other DoD Components, and from individuals voluntarily contacting DNA by telephone or mail.

Systems exempted from certain provision of the Act: None.

[51 FR 2364, Jan. 16, 1986. Redesignated at 56 FR 55631, Oct. 29, 1991, asd amended at 56 FR 57801, Nov. 14, 1991]

APPENDIX F TO PART 310—FORMAT FOR NEW OR ALTERED SYSTEM REPORT

(See paragraph (c) of §310.63, subpart G)

The report on a new or altered system shall consist of a transmittal letter, a narrative statement, and include supporting documentation.

A. *Transmittal Letter.* The transmittal letter to the Director, Defense Privacy Office, ODASD(A), shall include any request for waivers as set forth in paragraph (g) of §310.63, subpart G. The narrative statement shall be attached thereto.

B. *Narrative Statement.* The narrative statement is typed in double space on standard bond paper in the format shown at attachment 1. The statement includes:

1. *System identification and name.* This caption sets forth the identification and name of the system (see paragraphs (b) and (c) of §310.62, subpart G).

2. *Responsible official.* The name, title, address, and telephone number of the privacy official responsible for the report and to whom inquiries and comments about the report may be directed by Congress, the Office of Management and Budget, or Defense Privacy Office.

3. *Purpose of the system or nature of the change proposed.* Describe the purpose of the new system. For an altered system, describe the nature of the change being proposed.

4. *Authority for the system.* See paragraph (g) of §310.62, subpart G.

5. *Number of individuals.* The approximate number of individuals about whom records are to be maintained.

6. *Information on First Amendment activities.* Describe any information to be kept on the exercise of individual's First Amendment rights and the basis for maintaining it as provided for in paragraph (e) of §310.10, subpart B.

7. *Measures to ensure information accuracy.* If the system is to be used to make determinations about the rights, benefits, or entitlements of individuals; describe the measures being established to ensure the accuracy, currency, relevance, and completeness of the information used for these purposes.

8. *Other measures to ensure system security:* Describe the steps taken to minimize the risk of unauthorized access to the system. A more detailed assessment of security risks and specific administrative, technical, and physical safeguards shall be available for review upon request.

9. *Relationship to state and local government activities.* Describe the relationship of the system to state or local government activities that are the sources, recipients, or users of the information in the system.

C. *Supporting Documentation.* Item 10 of the narrative is captioned *Supporting Documents.* A positive statement for this caption is essential for those enclosures that are not required to be enclosed. For example, ''No changes to the existing Army procedural or exemption rules (32 CFR part 505) are required for this proposed system.'' List in numerical sequence only those enclosures that are actually furnished. The following are typical enclosures that may be required:

1. For a new system, an advance copy of the system notice which is proposed for publication. For an altered system (see paragraph (d) of §310.64, subpart G) an advance copy of the notice reflecting the specific changes proposed.

2. An advance copy of any new rules or changes to the published Component rules to be issued for the new or altered system. If no change to existing rules is required, so state in the narrative.

3. An advance copy of any proposed exemption rule if the new or altered system is to be exempted in accordance with subpart F. If

there is no exemption, so state in the narrative.

4. Any other supporting documentation that may be pertinent or helpful in understanding the need for the system or clarifying its intended use. While not required, such documentation, when available, is helpful in evaluating the new or altered system.

ATTACHMENT 1—SAMPLE FORMAT FOR NARRATIVE STATEMENT

DEPARTMENT OF DEFENSE

(COMPONENT NAME)

REPORT ON NEW (OR ALTERED) SYSTEM UNDER THE PRIVACY ACT OF 1974

(Indicate none or not applicable, as appropriate.)

1. *System Identification and name:*
2. *Responsible official:*
3. *Purpose(s) of the System:* (for a new system only) or *Nature of the Change(s) Proposed:* (for altered system).
4. *Authority for the System:*
5. *Number of Individuals:*
6. *Information on First Amendment Activities:*
7. *Measures to Ensure Information Accuracy:*
8. *Other Measures to Ensure System Security:*
9. *Relations to State or Local Government Activities:*
10. *Supporting Documentation:* (Indicate here, as a positive statement, those enclosures *not* required as set forth in section C. of the format instructions.)

SIGNATURE BLOCK OF SUBMITTING OFFICIAL

ATTACHMENT 2—SAMPLE REPORT

DEPARTMENT OF DEFENSE

Defense Nuclear Agency

REPORT ON NEW SYSTEM UNDER THE PRIVACY ACT OF 1974

1. *System Identification and Name:* HDNA 609–03, entitled ''Personnel Exposed To Radiation From Nuclear Tests.''

2. *Responsible Official:* Robert L. Brittigan, General Counsel, Defense Nuclear Agency, Washington, DC 20305. Telephone: Area Code 202 325–7781.

3. *Purpose(s) of the System:* To consolidate into one system the names, addresses, and exposures of all DoD or DoD-assoicated personnel who may have been exposed to ionizing radiation during the atmospheric nuclear testing programs in the Pacific and at the Nevada Test Site.

4. *Authority for the System:* See ''Authority for Maintenance of the System'' caption of the attached proposed system notice.

5. Number of Individuals: Approximately 300,00 individuals will be affected by this new system, since the system includes all DoD and DoD-affiliated participants in the atmospheric nuclear tests program.

6. *Information on First Amendment Activities:* None.

7. *Measures to Ensure Information Accuracy:* Records consist of personal data to be provided by the individual such as name, rank, service number, last known or current address, dates of test participation, exposure date, if available, and unit of assignment. When the information has been obtained from sources other than the individual, follow-up is attempted to ensure accuracy.

8. *Other Measures to Ensure System Security:*

a. Paper records before processing for computer storage are retained in locked filing cabinets located in limited access facilities at DNA Headquarters and the Armed Forces Radiobiology Research Institute.

b. Privacy data in the Headquarters, DNA, ADP facility is afforded the same protection as classified data in that the DNA computer system employs a File Security System (FSS) to protect classified and privacy data files from being accessed by unauthorized user.

9. *Relations to State and Local Government Activities:* None

10. *Supporting Documentation:* No changes to existing procedural or exemption rules are required for this proposed new system.

Robert L. Brittigan
General Counsel

ENCLOSURES—2

1. Advance copy of proposed system notice.
2. Copy of tasking memorandum from the Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics) to the Director, Defense Nuclear Agency, ''DoD Personnel Participation in Atmosperic Nuclear Weapons Testing,'' January 28, 1978.

NOTE: Enclosures are not included in the sample, above.

[51 FR 2364, Jan. 16, 1986. Redesignated at 56 FR 55631, Oct. 29, 1991, as amended at 56 FR 57801, Nov. 14, 1991]

APPENDIX G TO PART 310—SAMPLE DELETIONS AND AMENDMENTS TO SYSTEMS NOTICES IN ''FEDERAL REGISTER'' FORMAT

(See paragraph (d) of §310.64, subpart G)

DEPARTMENT OF DEFENSE

Department of Air Force

PRIVACY ACT OF 1974; DELETIONS AND AMENDMENTS TO SYSTEMS OF RECORDS NOTICES

AGENCY: Department of the Air Force, DoD.

ACTION: Notice of deletions and amendments to systems of records.

SUMMARY: The Air Force proposes to delete three and amend two notices for systems of records subject to the Privacy Act of 1974. The specific changes to the notices being amended are set forth below followed by the system notices, as amended, published in their entirety.

DATES: These systems notices shall be amended as proposed without further notice on (30 days after publication in the FEDERAL REGISTER unless comments are received that would result in a contrary determination.

ADDRESS: Send comments to the system manager identified in the particular system notice concerned.

FOR FURTHER INFORMATION CONTACT: Mr. Jon E. Updike, HQ USAF/DAQD, The Pentagon, Washington, DC 20330–5024, Telephone: (202) 694–3431 Autovon: 224–3431

SUPPLEMENTARY INFORMATION: The Air Force sytems of records notices inventory subject to the Privacy Act of 1974 (5 U.S.C. 552a), as amended, have been published to date in the FEDERAL REGISTER as follows:

FR Doc. 80–28255 (46 FR 50785) September 28, 1980

FR Doc. 80–31218 (46 FR 56774) October 28, 1980

FR Doc. 80–32284 (46 FR 58195) November 8, 1980

FR Doc. 80–33780 (46 FR 59996) November 23, 1980

The proposed amendments are not within the purview of the provisions of 5 U.S.C. 552a(o) which requires the submission of an altered system report.

Patricia H. Means,
OSD Federal Register Liaison Officer, Department of Defense.

DELETIONS

F01001 OQPTFLA

System name: Human Reliability for Special Missions.

Reason: This system is covered by F03004 AFDPMDB Advanced Personnel Data System (APDS) (46 FR 50821) August 28, 1981.

F01003 OBXQPCA

System name: Cadet Promotion List.

Reason: This system has been incorporated into F03502 AFA A Cadet Management System (46 FR 50875) July 28, 1981.

F01102 OYUEBLA

System name: Locator or Personnel Data file.

Reason: This sytem is covered by F01102 DAYX A Base, Unit, and Organizational Military and Civilian Personnel Locator Files (46 FR 50800) October 28, 1981.

AMENDMENTS

F03501 DPMDQIA

System name: Military Personnel Records System.

Changes:

System Location: In line 8, change ''Adjustment'' to Adjutant''.

External users, uses and purposes:

Add at end:

''American National Red Cross. Information to local Red Cross offices for emergency assistance to military members, dependents, relatives, or other persons if conditions are compelling.''

''Drug Enforcement Administration'' (added to those agencies listed under Department of Justice).

''Department of Labor: Bureau of Employees' Compensation—medical information for claims of civilian employees formerly in military service; Employment and Training Administration—verification of service-related information for unemployment compensation claims; Labor-Management Services Administration—for investigations of possible violations of labor laws and pre-employment investigations; National Research Council—for medical research purposes; U.S. Soldiers' and Airmen's Home—service information to determine eligibility.''

F03504 OJMPLSC

System name: Assessments Screening Records.

Changes:

System location: In line 1, change ''3700 Personnel Processing Group'' to ''3507 Airman Classification Squadron.''

Retention and disposal: Delete entry and substitute: ''Records on airmen accepted for sensitive or high risk assignments are retained in the office files for 18 months, then destroyed. Records of nonselectees are retained in office files for 1 year, then destroyed. Destruction is by tearing into pieces, shredding, pulping, macerating, or burning.''

Systems manager: In line 1, change ''3700 PPGP (CCO),'' to ''3507 Airman Classification Squadron.''

Record source categories: Add at end, ''peers, character references, and the individual member.''

[51 FR 2364, Jan. 16, 1986. Redesignated at 56 FR 55631, Oct. 29, 1991, as amended at 56 FR 57801, Nov. 14, 1991]

APPENDIX H TO PART 310—LITIGATION STATUS SHEET

(See §310.104, subpart K)

1. Case Number.[1]
2. Requester.
3. Document Title or Description.[2]
4. Litigation:
a. Date Complaint Filed.
b. Court.
c. Case File Number[1]
5. Defendants (DoD Component and individual).
6. Remarks (brief explanation of what the case is about).
7. Court Action:
a. Court's Finding.
b. Disciplinary Action (as appropriate).
8. Appeal (as appropriate):
a. Date Complaint Filed.
b. Court.
c. Case File Number.[5]
d. Court's Finding.
e. Disciplinary Action (as appropriate).

[51 FR 2364, Jan. 16, 1986. Redesignated at 56 FR 55631, Oct. 29, 1991, as amended at 56 FR 57801, Nov. 14, 1991]

APPENDIX I TO PART 310—OFFICE OF MANAGEMENT AND BUDGET (OMB) MATCHING GUIDELINES

(See §310.110, subpart L)

A. *Purpose.* These guidelines supplement and shall be used in conjunction with OMB Guidelines on the Administration of the Privacy Act of 1974, issued on July 1, 1975, and supplemented on November 21, 1975. They replace earlier guidance on conducting computerized matching programs issued on March 30, 1979. They are intended to help agencies relate the procedural requirements of the Privacy Act to the operational requirements of computerized matching. They are designed to address the concerns expressed by the Congress in the Privacy Act of 1974 that ''the increasing use of computers and sophisticated information technology, while essential to the efficient operation of the Government, has greatly magnified the harm to individual privacy that can occur from any collection, maintenance, use, or dissemination of personal information.'' These guidelines do not authorize activities that are not permitted by law, nor do they prohibit activities expressly required to be performed by law. Complying with these guidelines, however, does not relieve a federal agency of the obligation to comply with the provisions of the Privacy Act, including any provisions not cited in these guidelines.

B. *Scope.* These guidelines apply to all agencies subject to the Privacy Act of 1974 (5 U.S.C. 552a) and to all matching programs:

1. Performed by a federal agency, whether the personal records used in the match are federal or nonfederal.

2. For which a federal agency discloses any personal records for use in a matching program performed by any other federal agency or any nonfederal organization.

C. *Effective Date.* These guidelines are effective on May 11, 1982.

D. *Definitions.* For the purposes of the Guidelines, all the terms defined in the Privacy Act of 1974 apply.

1. *Personal Record.* Any information pertaining to an individual that is stored in an automated system of records; for example, a data base which contains information about individuals that is retrieved by name or some other personal identifier.

2. *Matching Program.* A procedure in which a computer is used to compare two or more automated systems of records or a system of records with a set of nonfederal records to find individuals who are common to more than one system or set. The procedure includes all of the steps associated with the match, including obtaining the records to be matched, actual use of the computer, administrative and investigative action on the hits, and disposition of the personal records maintained in connection with the match. It should be noted that a single matching program may involve several matches among a number of participants. Matching programs do not include the following:

a. Matches that do not compare a substantial number of records, such as, comparison of the Department of Education's defaulted student loan data base with the Office of Personnel Management's federal employee data base would be covered; comparison of six individual student loan defaultees with the OPM file would not be covered.

b. Checks on specific individuals to verify data in an application for benefits done reasonably soon after the application is received.

c. Checks on specific individuals based on information which raises questions about an individual's eligibility for benefits or payments done reasonably soon after the information is received.

d. Matches done to produce aggregate statistical data without any personal identifiers.

e. Matches done to support any research or statistical project when the specific data are not to be used to make decisions about the rights, benefits, or privileges of specific individuals.

f. Matches done by an agency using its own records.

[1] Number used by the Component for reference purposes

[2] Indicate the nature of the case, such as, ''Denial of access,'' ''Refusal to amend,'' ''Incorrect records,'' or other violations of the Act (specify).

3. *Matching Agency.* The federal agency which actually performs the match.

4. *Source Agency.* The federal agency which discloses records from a system of records to be used in the match. Note that in some circumstances a source agency may be the instigator and ultimate beneficiary of the matching program, as when an agency lacking computer resources uses another agency to perform the match. The disclosure of records to the matching agency and any later disclosure of ''hits'' (by either the matching or the source agencies) must be done in accordance with the provisions of paragraph (b) of the Privacy Act.

5. *Hit.* The identification, through a matching program, of a specific individual.

E. *Guidelines for Agencies Participating in Matching Programs.* Agencies should acquire and disclose matching records and conduct matching programs in accordance with the provisions of this section and the Privacy Act.

1. *Disclosing Personal Records for Matching Programs.*

a. *To another federal agency.* Source agencies are responsible for determining whether or not to disclose personal records from their systems and for making sure they meet the necessary Privacy Act disclosure provisions when they do. Among the factors source agencies should consider are:

(1) Legal authority for the match;

(2) Purpose and description of the match;

(3) Description of the records to be matched;

(4) Whether the record subjects have consented to the match; or whether disclosure of records for the match would be compatible with the purpose for which the records were originally collected; that is, whether disclosure under a ''routine use'' would be appropriate; whether the soliciting agency is seeking the records for a legitimate law enforcement activity—whichever is appropriate; or any other provision of the Privacy Act under which disclosure may be made;

(5) Description of additional information which may be subsequently disclosed in relation to ''hits'';

(6) Subsequent actions expected of the source (for example, verification of the identity of the ''hits'' or follow-up with individuals who are ''hits'');

(7) Safeguards to be afforded the records involved, including disposition.

b. If the agency is satisfied that disclosure of the records would not violate its responsibilities under the Privacy Act, it may proceed to make the disclosure to the matching agency. It should ensure that only the minimum information necessary to conduct the match is provided. If disclosure is to be made pursuant to a ''routine use'' (Section (b)(3) of the Privacy Act), it should ensure that the system of records contains such a use, or it should publish a routine use notice in the FEDERAL REGISTER. The agency should also be sure to maintain an accounting of the disclosures pursuant to Section (c) of the Privacy Act.

c. To a nonfederal entity. Before disclosing records to a nonfederal entity for a matching program to be carried out by that entity, a source agency should, in addition to all of the consideration in paragraph E.1.a., above, also make reasonable efforts, pursuant to Section (e)(6) of the Privacy Act, to ''assure that such records are accurate, complete, timely, and relevant for agency purposes.''

2. *Written Agreements.* Before disclosing to either a federal or nonfederal entity, the source agency should require the matching entity to agree in writing to certain conditions governing the use of the matching file; for example, that the matching file will remain the property of the source agency and be returned at the end of the matching program (or destroyed as appropriate); that the file will be used and accessed only to match the file or files previously agreed to; that it will not be used to extract information concerning ''non-hit'' individuals for any purpose, and that it will not be duplicated or disseminated within or outside the matching agency unless authorized in writing by the source agency.

3. *Performing Matching Programs.* (a) Matching agencies should maintain reasonable administrative, technical, and physical security safeguards on all files involved in the matching program.

(b) Matching agencies should insure that they have appropriate systems of records including those containing ''hits,'' and that such systems and any routine uses have been appropriately noticed in the FEDERAL REGISTER and reported to OMB and the Congress, as appropriate.

4. *Disposition of Records.* a. Matching agencies will return or destroy source matching files (by mutual agreement) immediately after the match.

b. Records relating to hits will be kept only so long as an investigation, either criminal or administrative, is active, and will be disposed of in accordance with the requirements of the Privacy Act and the Federal Records Schedule.

5. *Publication Requirements.* a. Agencies, before disclosing records outside the agency, will publish appropriate ''routine use'' notices in the FEDERAL REGISTER, if necessary.

b. If the matching program will result in the creation of a new or the substantial alteration of an existing system of records, the agency involved should publish the appropriate FEDERAL REGISTER notice and submit the requisite report to OMB and the Congress pursuant to OMB Circular No. A–108.

6. *Reporting Requirements.* a. As close to the initiation of the matching program as possible, matching agencies shall publish in the

FEDERAL REGISTER a brief public notice describing the matching program. The notice should include:

(1) The legal authority under which the match is being conducted;

(2) A description of the matching program including whether the program is one time or continuing, the organizations involved, the purpose or purposes for which the program is being conducted, and the procedures to be used in matching and following up on the ''hits'';

(3) A complete description of the personal records to be matched, including the source or sources, system of records identifying data, date or dates and page number of the most recent FEDERAL REGISTER full text publication when appropriate;

(4) The projected start and ending dates of the program;

(5) The security safeguards to be used to protect against unauthorized access or disclosure of the personal records; and

(6) Plans for disposition of the source records and ''hits.''

7. Agencies should send a copy of this notice to the Congress and to OMB at the same time it is sent to the FEDERAL REGISTER.

a. Agencies should report new or altered systems of records as described in paragraph E.5.b., above, as necessary.

b. Agencies should also be prepared to report on matching programs pursuant to the reporting requirements of either the Privacy Act or the Paperwork Reduction Act. Reports will be solicited by the Office of Information and Regulatory Affairs and will focus on both the protection of individual privacy and the government's effective use of information technology. Reporting instructions will be disseminated to the agencies as part of either the reports required by paragraph (p) of the Privacy Act, or Section 3514 of Pub. L. 96–511.

8. *Use of Contractors.* Matching programs should, as far as practicable, be conducted ''in-house'' by federal agencies using agency personnel, rather than by contract. When contractors are used, however,

a. The matching agency should, consistent with paragraph (m) of the Privacy Act, cause the requirements of that Act to be applied to the contractor's performance of the matching program. The contract should include the Privacy Act clause required by Federal Personnel Regulation Amendment 155 (41 CFR 1–1.337–5);

b. The terms of the contract should include appropriate privacy and security provisions consistent with policies, regulations, standards, and guidelines issued by OMB, GSA, and the Department of Commerce;

c. The terms of the contract should preclude the contractor from using, disclosing, copying, or retaining records associated with the matching program for the contractor's own use;

d. Contractor personnel involved in the matching program shall be made explicitly aware of their obligations under the Act and of these guidelines, agency rules, and any special safeguards in relation to each specific match performed.

e. Any disclosures of records by the agency to the contractor should be made pursuant to a ''routine use'' (5 U.S.C. 552a(b)(3)).

F. *Implementation and Oversight.* OMB will oversee the implementation of these guidelines and shall interpret and advise upon agency proposals and actions within their scope, consistent with section 6 of the Privacy Act.

[51 FR 2364, Jan. 16, 1986. Redesignated at 56 FR 55631, Oct. 29, 1991, as amended at 56 FR 57801, Nov. 14, 1991]

PART 311—OSD PRIVACY PROGRAM

Sec.
311.1 Reissuance and purpose.
311.2 Applicability and scope.
311.3 Definitions.
311.4 Policy.
311.5 Responsibilities.
311.6 Procedures.
311.7 Procedures for exemptions.
311.8 Information requirements.

AUTHORITY: Pub. L. 93–579, 88 Stat. 1896 (5 U.S.C. 552a)

SOURCE: 51 FR 7070, Feb. 28, 1986, unless otherwise noted. Redesignated at 56 FR 55631, Oct. 29, 1991.

§ 311.1 Reissuance and purpose.

This part reissues Administrative Instruction No. 81 to update and implement basic policies and procedures outlined in Privacy Act of 1974, DoD 5400.11–R, OMB Circular No. A–108 (TM No. 4) and to provide guidance and procedures for use in establishing the Privacy Program in the Office of the Secretary of Defense (OSD) and those organizations assigned to OSD for administrative support.

§ 311.2 Applicability and scope.

(a) This part applies to the OSD, Joint Staff, Defense Advanced Research Projects Agency (DARPA), Uniformed Services University of the Health Sciences (USUHS) and other activities assigned to OSD for administrative support (hereafter referred to collectively as ''OSD Components'').

(b) This part covers record systems maintained by OSD Components and

governs the maintenance, access, change, and release of information contained in OSD Component record systems, from which information pertaining to an individual is retrieved by a personal identifier.

[51 FR 7070, Feb. 28, 1986, as amended at 54 FR 2101, Jan. 19, 1989. Redesignated at 56 FR 55631, Oct. 29, 1991]

§311.3 Definitions.

Access. Any individual's review of a record or a copy of a record or parts of a system of records.

Disclosure. The transfer of any personal information from a system of records by any means of oral, written, electronic, mechanical, or other communication, to any person, private entity, or Government agency, other than the subject of the record, the subject's designated agent, or the subject's legal guardian.

Individual. A living citizen of the United States or an alien lawfully admitted to the United States for permanent residence. The legal guardian of an individual has the same rights as the individual and may act on his or her behalf.

Individual access. Access to information pertaining to the individual or his or her designated agent or legal guardian.

Maintain. Includes maintenance, collection, use or dissemination.

Personal information. Information about an individual that is intimate or private, as distinguished from information related solely to the individual's official functions or public life.

§311.4 Policy.

(a) It is DoD policy to protect the privacy of individuals involved in any phase of the personnel management process and to permit any individual to know what existing records pertain to him or her in any OSD Component covered by this part.

(b) Each office maintaining records and information about individuals shall ensure that their privacy is protected from unauthorized disclosure. These offices shall permit individuals to have access to, and to have a copy made of, all or any portion of records pertaining to them (except those referred to in Chapters 3 and 5, DoD 5400.11–R and to have an opportunity to request that such records be amended as provided by the Privacy Act of 1974. Individuals requesting access to their records shall receive concurrent consideration under the Privacy Act of 1974 and the Freedom of Information Act as amended, if appropriate.

(c) The heads of OSD Components shall maintain any record of an identifiable personal nature in a manner that is necessary and lawful. Any information collected must be as accurate, relevant, timely, and complete as is reasonable to ensure fairness to the individual. Adequate safeguards must be provided to prevent misuse or unauthorized release of such information.

§311.5 Responsibilities.

(a) The Director of Administration and Management (DA&M) shall:

(1) Direct and administer the DoD Privacy Program for OSD Components.

(2) Establish standards and procedures to ensure implementation of and compliance with the Privacy Act of 1974, OMB Circular No. A–108 (TM No. 4), and DoD 5400.11–R.

(3) Serve as the appellate authority within OSD when a requester appeals a denial for amendment of a record or initiates legal action to correct a record.

(4) Evaluate and decide, in coordination with the General Counsel (GC), DoD, appeals resulting from denials of correction and/or amendments to records by OSD Components.

(5) Designate the Records Management Division, Correspondence and Directives Directorate, Washington Headquarters Services (WHS), as the office responsible for all aspects of the Privacy Act, except that portion pertaining to receiving and acting on public requests for personal records. As such, the Records Management Division, shall:

(i) Exercise oversight and administrative control of the Privacy Act Program in OSD and those organizations assigned to OSD for administrative support.

(ii) Provide guidance and training to organizational entities as required by the Privacy Act of 1974 and OMB Circular A–108 (TM No. 4).

(iii) Collect and consolidate data from OSD Components, and submit an annual report to the Defense Privacy Office, as required by the Privacy Act of 1974, OMB Circular A–108 (TM No. 4) and DoD 5400.11–R.

(iv) Coordinate and consolidate information for reporting all record systems, as well as changes to approved systems, to the Office of Management and Budget (OMB), the Congress, and the FEDERAL REGISTER, as required by the Privacy Act of 1974, OMB Circular No. A–108 (TM No. 4) and DoD 5400.11–R.

(v) Collect information from OSD Components, and prepare consolidated reports required by the Privacy Act of 1974 and DoD 5400.11–R.

(b) The Assistant Secretary of Defense (Public Affairs) ASD(PA) shall:

(1) Designate the Director for Freedom of Information and Security Review, OASD(PA), as the point of contact for individuals requesting information or access to records and copies concerning themselves.

(2) Serve as the authority within OSD when requesters seek reconsideration of previously denied requests for access to records, and in coordination with the GC, DoD, and the DA&M, evaluate and decide on such requests.

(c) The Director for Freedom of Information and Security Review shall:

(1) Forward requests for information or access to records to the appropriate OSD Component having primary responsibility for any pertinent system of records under the Privacy Act of 1974 or to OSD Components, under the Freedom of Information Act as amended.

(2) Maintain deadlines to ensure that responses are made within the time limits prescribed in DoD 5400.7–R, DoD Directive 5400.10 and this part.

(3) Collect fees charged and assessed for reproducing requested materials.

(4) Refer all matters concerning amendments of records and general and specific exemptions under the Privacy Act of 1974 to the proper OSD components.

(5) Authorize a specific field activity of an OSD Component to act as the point of contact for individuals requesting information or access to records or copies, under the Privacy Act of 1974 for which the field activity has primary responsibility. All authorizations by the ASD(PA) shall be coordinated with the heads of the OSD Component concerned.

(d) The General Counsel, DoD, shall:

(1) Coordinate with the Department of Justice (DoJ) on all OSD final denials of appeals for amending records, and review actions to confirm denial of access to records.

(2) Provide advice and assistance to the DA&M in the discharge of appellate and review responsibilities, and to the ASD(PA) on all access matters.

(3) Provide advice and assistance to OSD Components on legal matters pertaining to the Privacy Act of 1974.

(e) The Head of OSD Components shall:

(1) Designate an individual as the point of contact for Privacy Act matters; designate an official to deny initial requests for access to an individual's records or changes to records; and advise both DA&M and ASD(PA) of names of officials so designated.

(2) Report any new record system, or changes to an existing system, to the OSD Records Administrator, WHS, at least 90 days before the intended use of the system.

(3) Review all contracts that provide for maintaining records systems, by or on behalf of his or her office, to ensure within his or her authority, that language is included that provides that such systems shall be maintained in a manner consistent with the Privacy Act of 1974.

(4) Revise procurement guidance to ensure that any contract providing for the maintenance of a records system, by or on behalf of his or her office, includes language that ensures that such system will be maintained in accordance with the Privacy Act of 1974.

(5) Revise computer and telecommunications procurement policies to ensure that agencies review all proposed contracts for equipment and services to comply with the Privacy Act of 1974.

(6) Coordinate with Automatic Data Processing (ADP) and word processing managers providing services to ensure that an adequate risk analysis is conducted to comply with DoD 5400.11–R.

(7) Review all Directives that require forms or other methods used to collect

information about individuals to ensure that the Privacy Act of 1974 is complied with.

(8) Establish administrative systems in OSD Component organizations to comply with the procedures listed in this part and DoD 5400.11-R.

(9) Coordinate with the Office of the General Counsel (OGC) on all proposed denials of access to records.

(10) Provide justification to the ASD(PA) when access to a record is denied in whole or in part.

(11) Provide the record to the ASD(PA) when the initial denial of a request for access to such record has been appealed by the requester, or at the time of initial denial when appeal seems likely.

(12) Maintain an accurate account of the actions resulting in a denial for access to a record or for the correction of a record. This account should be maintained so that it can be readily certified as the complete record of proceedings if litigation occurs.

(13) Ensure that all personnel who either have access to the system of records, of who are engaged in developing or supervising procedures for handling records in the system, are aware of their responsibilities for protecting personal information as established in the Privacy Act and DoD 5400.11–R.

(14) Forward all requests for access to records received directly from an individual to the ASD(PA) for appropriate suspense control and recording.

(15) Provide ASD(PA) with a copy of the requested record when the request is granted.

(f) The Director for Space Management and Services (SM&S), WHS, shall:

Upon request of the OSD Records Administrator, provide the necessary automated services through the OSD support system for publishing of data in the FEDERAL REGISTER as required by the Privacy Act of 1974.

(g) The Requester is responsible for:

(1) Submitting a request for access to a record or information, in person or in writing, to the Directorate for Freedom of Information and Security Review, (DFOI/SR), OASD(PA), Room 2C757, Pentagon, Washington, D.C. 20301–1155. The Requester must also:

(i) Establish his or her identity as outlined in DoD 5400.11–R.

(ii) Describe the record sought, and provide sufficient information to enable the material to be located (e.g., identification of system or records, approximate date it was initiated, originating organization, and type of document).

(iii) Comply with procedures provided in DoD 5400.11–R for inspecting and/or obtaining copies of requested records.

(2) Submitting a written request to amend the record to the system manager or to the office designated in the system notice.

[51 FR 7070, Feb. 28, 1986, as amended at 54 FR 2101, Jan. 19, 1989. Redesignated at 56 FR 55631, Oct. 29, 1991, as amended at 56 FR 57801, Nov. 14, 1991]

§311.6 Procedures.

(a) *Publication of Notice in the* FEDERAL REGISTER. (1) A notice shall be published in the FEDERAL REGISTER of any record system meeting the definition of a system of records defined in DoD 5400.11–R.

(2) Regarding new or revised records systems, each OSD Component shall provide the DA&M with 90 days advance notice of any anticipated new or revised system of records. This material shall be submitted to the Office of Management and Budget (OMB) and to Congress at least 60 days before use and to the FEDERAL REGISTER at least 30 days before being put into use, in order to provide an opportunity for interested persons to submit written data, views, or arguments to the OSD Components. Instructions on content and preparation are outlined in DoD Regulation 5400.11–R.

(b) *Access to information on Records Systems.* (1) Upon request, and as provided by the Privacy Act, records shall be disclosed only to the individual they pertain to and under whose individual name or identifier they are filed, unless exempted by provisions stated in DoD 5400.11–R.

(2) There is no requirement under the Privacy Act of 1974 that a record be created or that an individual be given access to records that are not retrieved by name or other individual identifier.

(3) Granting access to a record containing personal information shall not be conditioned upon any requirement that the individual state a reason or

otherwise justify the need to gain access.

(4) No verification of identity shall be required of an individual seeking access to records that are otherwise available to the public.

(5) Individuals shall not be denied access to a record in a system of records pertaining to themselves because those records are exempted from disclosure under DoD 5400.7–R. This regulation states that ''an exempted record shall be made available upon request of any individual when, in the judgment of the releasing Component or higher authority, no significant, legitimate, governmental purpose would be served by withholding it under an applicable exemption.''

(6) Individuals shall not be denied access to their records for refusing to disclose their Social Security Numbers (SSNs), unless disclosure of the SSN is required by statute, by regulation adopted before January 1, 1975, or if the record's filing identifier and only means of retrieval is by SSN.

(7) Any individual may request access to a record pertaining to him or her, in person or by mail, in accordance with the procedures outlined in paragraph (b)(8) of this section.

(8) Information necessary to identify a record is: the individual's name, date of birth, place of birth, identification of the records system as listed in the FEDERAL REGISTER, or sufficient information to identify the type of records being sought, and the approximate date the records might have been created. Any individual making a request for access to records in person shall come to the Directorate for Freedom of Information and Security Review, DFOI/SR, OASD(PA) Room 2C757, Pentagon, Washington, DC 20301–1155; and shall provide personal identification acceptable to the Director, DFOI/SR, to verify the individual's identity (e.g., driver's license, other licenses, permits, or passes used for routine identification purposes).

(9) If an individual wishes to be accompanied by a third party when seeking access to records or wishes to have the record released directly to a third party, the individual may be required to furnish a signed access authorization granting the third party access.

(10) Any individual submitting a request by mail for access to information shall address such request to the Directorate for Freedom of Information and Security Review, OASD(PA), Pentagon, Room 2C757, Washington, D.C. 20301–1155. The request shall include a signed notarized statement to verify his or her identity or an alternate verification for individuals, such as military members overseas who do not have access to notary services.

(11) The following procedures shall apply to requests for access to investigatory records:

(i) Individuals requesting access to investigatory records pertaining to themselves and for law enforcement purposes are processed under DoD 5400.11–R or DoD 5400.7–R depending on which regulation gives them the greater degree of access.

(ii) Individual requests for access to investigatory records pertaining to themselves compiled for law enforcement purposes (and in the custody of law enforcement activities) that have been incorporated into the records system, exempted from the access provisions of DoD 5400.11–R, will be processed in accordance with Section B, Chapter 5, DoD 5400.11–R. Individuals shall not be denied access to records solely because they are in the exempt system, but they will have the same access that they would receive under DoD 5400.7–R. (Also see subsection A.10., Chapter 3, DoD 5400.11–R).

(iii) Requests by individuals for access to investigatory records pertaining to themselves that are in records systems exempted from access provisions will be processed under subsection C.1. of Chapter 5, DoD 5400.11–R or DoD 5400.7–R, depending upon which regulation gives the greater degree of access. (See also subsection A.10., Chapter 3, DoD 5400.11–R).

(iv) Individual requests for access to investigatory records exempted from access under Section B, Chapter 5, DoD 5400.11–R that are temporarily in the hands of a noninvestigatory element for adjudicative or personnel actions, will be referred to the originating investigating agency. The requester will be informed in writing of these referrals.

(12) The following procedures shall apply to requests for illegible, incomplete, or partially exempt records:

(i) An individual shall not be denied access to a record or a copy of a record solely because the physical condition or format of the record does not make it readily available (e.g., deteriorated state or on magnetic tape). The document will be prepared as an extract, or it will be exactly recopied.

(ii) If a portion of the record contains information that is exempt from access, an extract or summary containing all of the information in the record that is releasable shall be prepared.

(iii) When the physical condition of the record makes it necessary to prepare an extract for release, the extract shall be prepared so that it will be understood by the requester.

(iv) The requester shall be informed of all deletions or changes to records.

(13) Medical records shall be disclosed to the individual they pertain to, unless a determination is made in consultation with a medical doctor, that the disclosure could have adverse effects on the individual's physical or mental health. Such information may be transmitted to a medical doctor named by the individual concerned.

(14) The individual may be charged reproduction fees for copies or records as outlined in DoD 5400.11–R.

(c) *Request to amend personal information in Records Systems and disputes.* (1) The Head of an OSD Component, or the designated official, shall allow individuals to request amendment to their records to the extent that such amendment does not violate existing statutes, regulations, or administrative procedures. Requests should be as brief and as simple as possible and should contain, as a minimum, identifying information to locate the record, a description of the items to be amended, and the reason for the change. A request shall not be rejected nor required to be resubmitted unless additional information is essential to process the request. Requesters shall be required to provide verification of their identity as stated in paragraph (b)(8) of this section to ensure that they are seeking to amend records pertaining to themselves, and not, inadvertently or intentionally, the records of others.

(2) The appropriate system manager shall mail a written acknowledgment to an individual's request to amend a record within 10 days after receipt, excluding Saturdays, Sundays, and legal public holidays. Such acknowledgment shall identify the request and may, if necessary, request any additional information needed to make a determination. No acknowledgment is necessary if the request can be reviewed, processed, and if the individual can be notified of compliance or denial within the 10-day period. Whenever practical, the decision shall be made within 30 working days. For requests presented in person, written acknowledgment may be provided at the time the request is presented.

(3) The Head of an OSD Component, or designated official, shall promptly take one of the following actions on requests to amend the records:

(i) If the OSD Component official agrees with any portion or all of an individual's request, he or she will proceed to amend the records in accordance with existing statutes, regulations, or administrative procedures, and inform the requester of the action taken. The OSD Component official shall also notify all previous holders of the record that the amendment has been made, and shall explain the substance of the correction.

(ii) If he or she disagrees with all or any portion of a request, the individual shall be informed promptly of the refusal to amend a record, the reason for the refusal, and the procedure established by OSD for an appeal as outlined in paragraph (c)(6) of this section.

(iii) If the request for an amendment pertains to a record controlled and maintained by another Federal agency, the request shall be referred to the appropriate agency, and the requester advised of this.

(4) The following procedures shall be used when reviewing records under dispute:

(i) In response to a request for an amendment to records, officials shall determine the accuracy, relevance, timeliness, or completeness of the requested record. The Head of an OSD Component, or designated official, shall develop tolerances for accuracy, relevance, and timeliness by giving

consideration as to whether such tolerances could result in consequences adverse to the individual.

(ii) The Head of an OSD Component, or designated official, shall limit the review of a record to those items of information that clearly bear on any determination to amend the records and shall ensure that all those elements are present before determination is made.

(5) If the Head of an OSD Component, or designated official, after an initial review of a request to amend a record, disagrees with all or any portion of a record, he or she shall:

(i) Advise the individual of the denial and the reason for it.

(ii) Inform the individual that he or she may request a further review.

(iii) Describe the procedures for requesting such review including the name and address of the official to whom the request should be directed. The procedures should be as brief and simple as possible and should indicate where the individual can seek advice or assistance in obtaining such review.

(iv) Furnish a copy of the justification of any denial to amend a record to DA&M.

(6) If an individual disagrees with the initial OSD determination, he or she may file a request for further review of the record. The request should be sent to the Director of Administration and Management, Department of Defense, The Pentagon, Washington, DC 20301–1155, if the record is created and maintained by an OSD Component.

(7) If, after review, the DA&M further refuses to amend the record as requested, the DA&M shall advise the individual:

(i) Of the refusal and the reason for it.

(ii) Of his or her right to file a statement of the reason for disagreeing with the DA&M's decision.

(iii) Of the procedures for filing a statement of disagreements.

(iv) That the statement filed shall be made available to anyone the record is disclosed to, together with a brief statement, at the discretion of the OSD Component, summarizing its reasons for refusing to amend the records.

(v) That prior recipients of copies of disputed records shall be provided a copy of any statement of dispute to the extent that an accounting of disclosure is maintained.

(vi) Of his or her right to seek judicial review of the DASD(A)'s refusal to amend a record.

(8) If, after the review, the DA&M determines that the record should be amended in accordance with the individual's request, the OSD Component shall amend the record, advise the individual, and inform previous recipients where an accounting of disclosure has been maintained.

(9) The final OSD determination on an individual's request for a review of the DA&M's refusal to amend the record must be concluded within 30 days (excluding Saturdays, Sundays, and legal public holidays) after receipt by the proper office. If the DA&M determines that a fair and equitable review cannot be made within that time, the individual will be informed in writing of the reasons for the delay and of the approximate date the review is expected to be completed.

(d) *Disclosure of disputed information*. (1) After the DA&M has refused to amend a record and the individual has filed a statement under paragraph (c)(7) of this section, the OSD Component shall clearly annotate the record so that the proceeding is clear to any authorized person to whom the record is disclosed. The notation itself shall be integral to the record. Where an accounting of a disclosure has been made, the OSD Component shall advise previous recipients that the record has been disputed, and shall provide a copy of the individual's statement where requested.

(i) This statement shall be maintained to permit ready retrieval whenever the disputed portion of the record is to be disclosed.

(ii) When information that is the subject of a statement of dispute is subsequently disclosed, the OSD Component's designated official shall note which information is disputed and provide a copy of the individual's statement.

(2) The OSD Component shall include a brief summary of its reasons for not making a correction when disclosing disputed information. Such statement

shall normally be limited to the reasons given to the individual for not amending the record.

(3) Copies of the OSD Component's summary will be treated as part of the individual's record; however, it will not be subject to the amendment procedure outlined in paragraph (c)(3) of this section.

(4) Paragraph B of Chapter 11, DoD 5400.11–R, prescribes that all requests for participation in a matching program (either as a matching agency or a source agency) be submitted to the Defense Privacy Office for review and compliance. OSD Components will submit these requests through the Records Management Division.

(e) *Penalties*—(1) *Civil action*. (i) An individual may file a civil suit against the United States for:

(A) Refusal to amend a record.

(B) Improper denial of the access to a record.

(C) Failure to maintain a record accurately.

(ii) An individual may also file a suit against the United States for failure to implement a provision of the Privacy Act when such failure leads to an adverse determination.

(iii) If the individual's suit is upheld, the court may direct the United States to pay the court costs and lawyer's fees.

(iv) When the individual can show that personal damage was done because an OSD officer or employee failed to comply with the provisions of the Privacy Act of 1974, the United States may be assessed damages by the court at a minimum of $1,000.

(2) *Criminal action*. (i) Criminal penalties may be imposed against an OSD officer or employee for willful unauthorized disclosure of information in the records, for failure to publish a notice of the existence of a record system in the FEDERAL REGISTER, or for gaining access to the individual's record under false pretenses (i.e., against any person who knowingly and willfully requests or obtains any record concerning another individual without legal authorization).

(ii) An OSD officer or employee may be fined up to $5,000 for a violation as outlined in paragraph (e)(2)(i) of this section.

(3) *Litigation status sheet*. Whenever a complaint citing the Privacy Act of 1974 is filed in a U.S. District Court against the Department of Defense, a DoD Component, or any DoD employee, the responsible system manager shall promptly notify the Defense Privacy Office. The litigation status sheet in DoD 5400.11–R provides a standard format for this notification. (The initial litigation status sheet shall, as a miniumum, provide the information required by items 1 through 6.) A revised litigation status sheet shall be provided at each stage of the litigation. When a court renders a formal opinion or judgment, copies of the judgment or opinion shall be provided to the Defense Privacy Office with the litigation status sheet reporting that judgment or opinion.

[51 FR 7070, Feb. 28, 1986, as amended at 54 FR 2101, Jan. 19, 1989; Redesignated at 56 FR 55631, Oct. 29, 1991, and amended at 56 FR 57801, Nov. 14, 1991]

§311.7 Procedures for exemptions.

(a) *General information*. The Secretary of Defense designates those Office of the Secretary of Defense (OSD) systems of records which will be exempt from certain provisions of the Privacy Act. There are two types of exemptions, general and specific. The general exemption authorizes the exemption of a system of records from all but a few requirements of the Act. The specific exemption authorizes exemption of a system of records or portion thereof, from only a few specific requirements. If an OSD Component originates a new system of records for which it proposes an exemption, or if it proposes an additional or new exemption for an existing system of records, it shall submit the recommended exemption with the records system notice as outlined in §311.6. No exemption of a system of records shall be considered automatic for all records in the system. The systems manager shall review each requested record and apply the exemptions only when this will serve significant and legitimate Government purpose.

(b) *General exemptions*. The general exemption provided by 5 U.S.C. 552a(j)(2) may be invoked for protection of systems of records maintained by

law enforcement activities. Certain functional records of such activities are not subject to access provisions of the Privacy Act of 1974. Records identifying criminal offenders and alleged offenders consisting of identifying data and notations of arrests, the type and disposition of criminal charges, sentencing, confinement, release, parole, and probation status of individuals are protected from disclosure. Other records and reports compiled during criminal investigations, as well as any other records developed at any stage of the criminal law enforcement process from arrest to indictment through the final release from parole supervision are excluded from release.

(1) *System Identification and Name.* DWHS P42.0, ''DPS Incident Reporting and Investigations Case Files''.

Exemption. Portions of this system that fall within 5 U.S.C. 552a(j)(2) are exempt from the following provisions of 5 U.S.C. 552a, Sections (c) (3) and (4); (d)(1) through (d)(5); (e)(1) through (e)(3); (e)(5); (f)(1) through (f)(5); (g)(1) through (g)(5); and (h) of the Act.

Authority. 5 U.S.C. 552a(j)(2).

Reason. The Defense Protective Service is the law enforcement body for the jurisdiction of the Pentagon and immediate environs. The nature of certain records created and maintained by the DPS requires exemption from access provisions of the Privacy Act of 1974. The general exemption, 5 U.S.C. 552a(j)(2), is invoked to protect ongoing investigations and to protect from access criminal investigation information contained in this record system, so as not to jeopardize any subsequent judicial or administrative process taken as a result of information contained in the file.

(2) *System Identification and Name.* JS006.CND, Department of Defense Counternarcotics C4I System.

Exemption. Portions of this system that fall within 5 U.S.C. 552a(j)(2) are exempt from the following provisions of 5 U.S.C. 552a, section (c) (3) and (4); (d)(1) through (d)(5); (e)(1) through (e)(3); (e)(4)(G) and (e)(4)(H); (e)(5); (f)(1) through (f)(5); (g)(1) through (g)(5) of the Act.

Authority. 5 U.S.C. 552a(j)(2).

Reason. From subsection (c)(3) because the release of accounting of disclosure would inform a subject that he or she is under investigation. This information would provide considerable advantage to the subject in providing him or her with knowledge concerning the nature of the investigation and the coordinated investigative efforts and techniques employed by the cooperating agencies. This would greatly impede USSOUTHCOM's criminal law enforcement.

For subsections (c)(4) and (d) because notification would alert a subject to the fact that an investigation of that individual is taking place, and might weaken the on-going investigation, reveal investigatory techniques, and place confidential informants in jeopardy.

From subsections (e)(4) (G) and (H) because this system of records is exempt from the access provisions of subsection (d) pursuant to subsection (j).

From subsection (f) because the agency's rules are inapplicable to those portions of the system that are exempt and would place the burden on the agency of either confirming or denying the existence of a record pertaining to a requesting individual might in itself provide an answer to that individual relating to an on-going criminal investigation. The conduct of a successful investigation leading to the indictment of a criminal offender precludes the applicability of established agency rules relating to verification of record, disclosure of the record to that individual, and record amendment procedures for this record system.

For compatibility with the exemption claimed from subsection (f), the civil remedies provisions of subsection (g) must be suspended for this record system. Because of the nature of criminal investigations, standards of accuracy, relevance, timeliness and completeness cannot apply to this record system. Information gathered in criminal investigations is often fragmentary and leads relating to an individual in the context of one investigation may instead pertain to a second investigation.

From subsection (e)(1) because the nature of the criminal investigative function creates unique problems in

prescribing a specific parameter in a particular case with respect to what information is relevant or necessary. Also, due to USSOUTHCOM's close liaison and working relationships with the other Federal, as well as state, local and foreign country law enforcement agencies, information may be received which may relate to a case under the investigative jurisdiction of another agency. The maintenance of this information may be necessary to provide leads for appropriate law enforcement purposes and to establish patterns of activity which may relate to the jurisdiction of other cooperating agencies.

From subsection (e)(2) because collecting information to the greatest extent possible directly from the subject individual may or may not be practicable in a criminal investigation. The individual may choose not to provide information and the law enforcement process will rely upon significant information about the subject from witnesses and informants.

From subsection (e)(3) because supplying an individual with a form containing a Privacy Act Statement would tend to inhibit cooperation by many individuals involved in a criminal investigation. The effect would be somewhat inimical to established investigative methods and techniques.

From subsection (e)(5) because the requirement that records be maintained with attention to accuracy, relevance, timeliness, and completeness would unfairly hamper the criminal investigative process. It is the nature of criminal law enforcement for investigations to uncover the commission of illegal acts at diverse stages. It is frequently impossible to determine initially what information is accurate, relevant, timely, and least of all complete. With the passage of time, seemingly irrelevant or untimely information may acquire new significant as further investigation brings new details to light.

From subsection (e)(8) because the notice requirements of this provision could present a serious impediment to criminal law enforcement by revealing investigative techniques, procedures, and existence of confidential investigations.

(c) *Specific exemptions.* All systems of records maintained by any OSD Component shall be exempt from the requirements of 5 U.S.C. 552a(d) pursuant to subsection (k)(1) of that section to the extent that the system contains any information properly classified under Executive Order 11265, ''National Security Information,'' dated June 28, 552a(d) pursuant to subsection (k)(1) of that section to the extent that the system contains any information properly classified under E.O. 11265, ''National Security Information,'' dated June 28, 1979, as amended, and required by the Executive Order to be kept classified in the interest of national defense or foreign policy. This exemption, which may be applicable to parts of all systems of records, is necessary because certain record systems not otherwise specifically designated for exemptions may contain isolated information which has been properly classified. The Secretary of Defense has designated the following OSD system of records described below specifically exempted from the appropriate provisions of the Privacy Act pursuant to the designated authority contained therein:

(1) *System identifier and name.* DGC 16, Political Appointment Vetting Files.

Exemption. Portions of this system of records that fall within the provisions of 5 U.S.C. 552a(k)(5) may be exempt from the following subsections (d)(1) through (d)(5).

Authority. 5 U.S.C. 552a(k)(5).

Reasons. From (d)(1) through (d)(5) because the agency is required to protect the confidentiality of sources who furnished information to the Government under an expressed promise of confidentiality or, prior to September 27, 1975, under an implied promise that the identity of the source would be held in confidence. This confidentiality is needed to maintain the Government's continued access to information from persons who otherwise might refuse to give it. This exemption is limited to disclosures that would reveal the identity of a confidential source.

(2) *SYSID–DWHS P28, SYSNAME.* The Office of the Secretary of Defense Clearance File.

Exemption. This system of records is exempt from subsections (c)(3) and (d)

of 5 U.S.C. 552a, which would require the disclosure of investigatory material compiled solely for the purpose of determining access to classified information but only to the extent that disclosure of such material would reveal the identity of a source who furnished information to the Government under an expressed promise that the identity of the source would be held in confidence or, prior to September 27, 1975, under an implied promise that the identity of the source would be held in confidence. A determination will be made at the time of the request for a record concerning the specific information which would reveal the identity of the source.

Authority. 5 U.S.C. 552a(k)(5).

Reasons. This exemption is required to protect the confidentiality of the sources of information compiled for the purpose of determining access to classified information. This confidentiality helps maintain the Government's continued access to information from persons who would otherwise refuse to give it.

(3) *SYSID–DGC 04, SYSNAME.* Industrial Personnel Security Clearance Case Files.

Exemption. All portions of this system which fall under 5 U.S.C. 552a(k)(5) are exempt from the following provisions of Title 5 U.S.C. 552a: (c)(3); (d).

Authority. 5 U.S.C. 552a(k)(5).

Reasons. This system of records is exempt from subsections (c)(3) and (d) of section 552a of 5 U.S.C. which would require the disclosure of investigatory material compiled solely for the purpose of determining access to classified information, but only to the extent that the disclosure of such material would reveal the identity of a source who furnished information to the Government under an expressed promise that the identity of the source would be held in confidence, or prior to September 27, 1975, under an implied promise that the identity of the source would be held in confidence. A determination will be made at the time of the request for a record concerning whether specific information would reveal the identity of a source. This exemption is required in order to protect the confidentiality of the sources of information compiled for the purpose of determining access to classified information. This confidentiality helps maintain the Government's continued access to information from persons who would otherwise refuse to give it.

(4) *SYSID–DWHS P32, SYSNAME.* Standards of Conduct Inquiry File.

Exemption. This system of records is exempted from subsections (c)(3) and (d) of 5 U.S.C. 552a, which would require the disclosure of: investigatory material compiled for law enforcement purposes; or investigatory material compiled solely for the purpose of determining suitability, eligibility, or qualifications for Federal civilian employment, military service, or Federal contracts, but only to the extent that the disclosure of such material would reveal the identity of a source who furnished information to the Government under an express promise or, prior to September 27, 1975, under an implied promise that the identity of the source would be held in confidence. If any individual is denied any right, privilege, or benefit that he would otherwise be entitled by Federal law, or otherwise be eligible, as a result of the maintenance of investigatory material compiled for law enforcement purposes, the material shall be provided to that individual, except to the extent that its disclosure would reveal the identity of a source who furnished information to the Government under an express promise or, prior to September 27, 1975, under an implied promise that the identity of the source would be held in confidence. At the time of the request for a record, a determination will be made concerning whether a right, privilege, or benefit is denied or specific information would reveal the identity of a source.

Authority. 5 U.S.C. 552a(k) (2) and (5).

Reasons. These exemptions are necessary to protect the confidentiality of the records compiled for the purpose of: enforcement of the conflict of interest statutes by the Department of Defense Standards of Conduct Counselor, General Counsel, or their designees; and determining suitability, eligibility or qualifications for Federal civilian employment, military service, or Federal contracts of those alleged to have violated or caused others to violate the

Standards of Conduct regulations of the Department of Defense.

(5) *SYSID–DUSDP 02, SYSNAME.* Special Personnel Security Cases.

Exemption. All portions of this system which fall under 5 U.S.C. 552a(k)(5) are exempt from the following provisions of 5 U.S.C. 552a: (c)(3); (d).

Authority. 5 U.S.C. 552a(k)(5).

Reasons. This system of records is exempt from subsections (c)(3) and (d) of 5 U.S.C. 552a which would require the disclosure of investigatory material compiled solely for the purpose of determining access to classified information, but only to the extent that the disclosure of such material would reveal the identity of a source who furnished information to the Government under an expressed promise that the identity of the source would be held in confidence or, prior to September 27, 1975, under an implied promise that the identity of the source would be held in confidence. A determination will be made at the time of the request for a record concerning whether specific information would reveal the identity of a source. This exemption is required in order to protect the confidentiality of the sources of information compiled for the purpose of determining access to classified information. This confidentiality helps maintain the Government's continued access to information from persons who would otherwise refuse to give it.

(6) *System Identification and Name.* DODDS 02.0, Educator Application Files.

Exemption. All portions of this system which fall within 5 U.S.C. 552a(k)(5) may be exempt from the following provisions of Title 5 U.S.C. 552a: (c)(3); (d).

Authority. 5 U.S.C. 552a(k)(5).

Reasons. It is imperative that the confidential nature of evaluation and investigatory material on teacher application files furnished the Department of Defense Dependent Schools (DoDDS) under promises of confidentiality be exempt from disclosure to the individual to insure the candid presentation of information necessary to make determinations involving applicants suitability for DoDDS teaching positions.

(7) *System Identification and Name.* DODDS 25.0, DoDDS Internal Review Office Project File.

Exemption. Portions of this system that fall within the provisions of 5 U.S.C. 552a(k)(2) are exempt from the following subsections (c)(3), (d), (e)(4)(G), (e)(4)(H), and (f).

Authority. 5 U.S.C. 552a(k)(2).

Reasons. From subsection (c)(3) because the release of a disclosure accounting would inform a subject that he or she is under investigation. This information would provide considerable advantage to the subject in providing him or her with knowledge concerning the nature of the investigation and the coordinated investigative efforts and techniques employed by cooperating agencies. This would greatly impede the IRO's criminal law enforcement effectiveness.

From subsection (e)(4)(G) and (e)(4)(H), because notification would alert a subject to the fact that an investigation of that individual is taking place, and might weaken the on-going investigation, reveal investigatory techniques, and place confidential informants in jeopardy.

From subsection (d) and (f), because access to records and agency rules for access and amendment of records unfairly impede the DoDDS IRO criminal investigation activities. Requiring DoDDS IRO to confirm or deny the existence of a record pertaining to a requesting individual may in itself provide an answer to the individual relating to an on-going criminal investigation. The conduct of a successful investigation leading to the indictment of a criminal offender would be jeopardized by agency rules requiring verification of record disclosure of the record to the subject, and record amendment procedures, as normally apply under the requirements of 5 U.S.C. 533(b)(1), (2), and (3), (c) and (e).

(8)*System identifier and name.* DWHS P29, Personnel Security Adjudications File.

Exemption. Portions of this system of records that fall within the provisions of 5 U.S.C. 552a(k)(5) may be exempt from the following subsections (d)(1) through (d)(5).

Authority. 5 U.S.C. 552a(k)(5).

Reasons. From (d)(1) through (d)(5) because the agency is required to protect the confidentiality of sources who furnished information to the Government under an expressed promise of confidentiality or, prior to September 27, 1975, under an implied promise that the identity of the source would be held in confidence. This confidentiality is needed to maintain the Government's continued access to information from persons who otherwise might refuse to give it. This exemption is limited to disclosures that would reveal the identity of a confidential source. At the time of the request for a record, a determination will be made concerning whether a right, privilege, or benefit is denied or specific information would reveal the identity of a source.

(9) *System identifier and name.* JS004SECDIV, Joint Staff Security Clearance Files.

Exemption. Portions of this system of records are exempt pursuant to the provisions of 5 U.S.C. 552a(k)(5) from subsections 5 U.S.C. 552a(d)(1) through (d)(5).

Authority. 5 U.S.C. 552a(k)(5).

Reasons. From subsections (d)(1) through (d)(5) because the agency is required to protect the confidentiality of sources who furnished information to the government under an expressed promise of confidentiality or, prior to September 27, 1975, under an implied promise that the identity of the source would be held in confidence. This confidentiality is needed to maintain the Government's continued access to information from persons who otherwise might refuse to give it. This exemption is limited to disclosures that would reveal the identity of a confidential source. At the time of the request for a record, a determination will be made concerning whether a right, privilege, or benefit is denied or specific information would reveal the identity of a source.

(10) *System identifier and name*: DFMP 26, Vietnamese Commando Compensation Files.

(i) *Exemption:* Information classified under E.O. 12958, as implemented by DoD 5200.1–R, may be exempt pursuant to 5 U.S.C. 552a(k)(1).

(ii) *Authority:* 5 U.S.C. 552a(k)(1).

(iii) *Reasons:* From subsection 5 U.S.C. 552a(d) because granting access to information that is properly classified pursuant to E.O. 12958, as implemented by DoD 5200.1–R, may cause damage to the national security.

(11) *System identifier and name*: DUSP 11, POW/Missing Personnel Office Files.

(i) *Exemption:* Information classified under E.O. 12958, as implemented by DoD 5200.1–R, may be exempt pursuant to 5 U.S.C. 552a(k)(1).

(ii) *Authority:* 5 U.S.C. 552a(k)(1).

(iii) *Reasons:* From subsection 5 U.S.C. 552a(d) because granting access to information that is properly classified pursuant to E.O. 12958, as implemented by DoD 5200.1–R, may cause damage to the national security.

[51 FR 7070, Feb. 28, 1986, as amended at 55 FR 25303, June 21, 1990; 56 FR 25629, June 5, 1991; 56 FR 32966, July 18, 1991. Redesignated at 56 FR 55631, Oct. 29, 1991, as amended at 56 FR 57801, Nov. 14, 1991; 57 FR 24547, June 10, 1992; 58 FR 59658, Nov. 10, 1993; 60 FR 36051, July 13, 1995; 60 FR 54198, Oct. 20, 1995; 61 FR 3814, Feb. 2, 1996; 62 FR 46446, Sept. 3, 1997; 62 FR 59579, Nov. 4, 1997]

§ 311.8 Information requirements.

The Defense Privacy Office shall establish requirements and deadlines for DoD privacy reports. These reports shall be licensed in accordance with DoD Directive 5000.19.

PART 312—OFFICE OF THE INSPECTOR GENERAL (OIG) PRIVACY PROGRAM

Sec.

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AUTHORITY: Pub. L. 93–579, 88 Stat 1896 (5 U.S.C. 552a).

SOURCE: 56 FR 51976, Oct. 17, 1991, unless otherwise noted.

§312.1 Purpose.

Pursuant to the requirements of the Privacy Act of 1974 (5 U.S.C. 552a) and 32 CFR part 286a–DoD Privacy Program, the following rules of procedures are established with respect to access and amendment of records maintained by the Office of the Inspector General (OIG) on individual subjects of these records.

§312.2 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, the term ''agency'' means the Office of the Inspector General (OIG), Department of Defense.

§312.3 Procedure for requesting information.

Individuals should submit inquiries regarding all OIG files by mail to the Assistant Inspector General for Investigations, ATTN: FOIA/PA Division, 400 Army Navy Drive, Arlington, VA 22202–2884. All personal visits will require some form of common identification.

§312.4 Requirements for identification.

Only upon proper identification will any individual be granted access to records which pertain to him/her. Identification is required both for accurate record identification and to avoid disclosing records to unauthorized individuals. Requesters must provide their full name and as much information as possible about the record being sought in order that a proper search for records can be accomplished. Inclusion of a telephone number for the requester is recommended to expedite certain matters. Requesters applying in person must provide an identification with photograph, such as a driver's license, military identification card, building pass, etc.

[59 FR 2746, Jan. 19, 1994]

§312.5 Access by subject individuals.

(a) No individual will be allowed access to any information compiled or maintained in reasonable anticipation of civil or criminal actions or proceedings or otherwise exempt under §312.12. Requests for pending investigations will be denied and the requester instructed to forward another request giving adequate time for the investigation to be completed. Requesters shall be provided the telephone number so they can call and check on the status in order to know when to resubmit the request.

(b) Any individual may authorize the OIG to provide a copy of his/her records to a third part. This authorization must be in writing, must designate the recipient by name, must specify the records or portion to be provided to the recipient, and should accompany the initial request to the OIG.

[56 FR 51976, Oct. 17, 1991, as amended at 59 FR 2746, Jan. 19, 1994]

§312.6 Fees.

Requesters will be charged only for the reproduction of requested documents and special postal methods, such as express mail, if applicable. There will be no charge for the first copy of a record provided to any individual. Thereafter, fees will be computed as set forth in appropriate DoD Directives and Regulations.

§312.7 Request for correction or amendment.

(a) Requests to correct or amend a file shall be addressed to the system manager in which the file is located. The request must reasonably describe the record to be amended, the items to be changed as specifically as possible, the type of amendment (e.g., deletion, correction, amendment), and the reason for amendment. Reasons should address at least one of the following categories: Accuracy, relevance, timeliness, completeness, fairness. The request should also include appropriate evidence which provide a basis for evaluating the request. Normally all documents submitted, to include court orders, should be certified. Amendments under this part are limited to correcting factual matters and not matters of official judgment or opinions, such as performance ratings, promotion potential, and job performance appraisals.

(b) Requirements of identification as outlined in §312.4 apply to requests to correct or amend a file.

(c) Incomplete requests shall not be honored, but the requester shall be contacted for the additional information needed to process the request.

(d) The amendment process is not intended to permit the alteration of evidence presented in the course of judicial or quasi-judicial proceedings. Any amendments or changes to these records normally are made through the specific procedures established for the amendment of such records.

(e) Nothing in the amendment process is intended or designed to permit a collateral attack upon what has already been the subject of a judicial or quasi-judicial determination. However, while the individual may not attack the accuracy of the judicial or quasi-judicial determination, he or she may challenge the accuracy of the recording of that action.

§ 312.8 OIG review of request for amendment.

(a) A written acknowledgement of the receipt of a request for amendment of a record will be provided to the requester within 10 working days, unless final action regarding approval or denial will constitute acknowledgement.

(b) Where there is a determination to grant all or a portion of a request to amend a record, the record shall be promptly amended and the requesting individual notified. Individuals, agencies or DoD components shown by disclosure accounting records to have received copies of the record, or to whom disclosure has been made, will be notified of the amendment by the responsible OIG official.

(c) Where there is a determination to deny all or a portion of a request to amend a record, OIG will promptly advise the requesting individual of the specifics of the refusal and the reasons; and inform the individual that he/she may request a review of the denial(s) from the OIG designated official.

§ 312.9 Appeal of initial amendment decision.

(a) All appeals of an initial amendment decision should be addressed to the Assistant Inspector General for Investigations, ATTN: FOIA/PA Division, 400 Army Navy Drive, Arlington, VA 22202–2884. The appeal should be concise and should specify the reasons the requester believes that the initial amendment action by the OIG was not satisfactory. Upon receipt of the appeal, the designated official will review the request and make a determination to approve or deny the appeal.

(b) If the OIG designated official decides to amend the record, the requester and all previous recipients of the disputed information will be notified of the amendment. If the appeal is denied, the designated official will notify the requester of the reason of the denial, of the requester's right to file a statement of dispute disagreeing with the denial, that such statement of dispute will be retained in the file, that the statement will be provided to all future users of the file, and that the requester may file suit in a federal district court to contest the OIG decision not to amend the record.

(c) The OIG designated official will respond to all appeals within 30 working days or will notify the requester of an estimated date of completion if the 30 day limit cannot be met.

§ 312.10 Disclosure of OIG records to other than subject.

No record containing personally identifiable information within a OIG system of records shall be disclosed by any means to any person or agency outside the Department of Defense, except with the written consent of the individual subject of the record or as provided for in the Act and DoD 5400.11–R (32 CFR part 286a).

§ 312.11 Penalties.

(a) An individual may bring a civil action against the OIG to correct or amend the record, or where there is a refusal to comply with an individual request or failure to maintain any records with accuracy, relevance, timeliness and completeness, so as to guarantee fairness, or failure to comply with any other provision of the Privacy Act. The court may order correction or amendment of records. The court may enjoin the OIG from withholding the records and order the production of the record.

(b) Where it is determined that the action was willful or intentional with respect to 5 U.S.C. 552a(g)(1) (C) or (D),

the United States shall be liable for the actual damages sustained, but in no case less than the sum of $1,000 and the costs of the action with attorney fees.

(c) Criminal penalties may be imposed against an officer or employee of the OIG who discloses material, which he/she knows is prohibited from disclosure, or who willfully maintains a system of records without compliance with the notice requirements.

(d) Criminal penalties may be imposed against any person who knowingly and willfully requests or obtains any record concerning another individual from an agency under false pretenses.

(e) All of these offenses are misdemeanors with a fine not to exceed $5,000.

§ 312.12 Exemptions.

(a) *Exemption for classified records.* Any record in a system of records maintained by the Office of the Inspector General which falls within the provisions of 5 U.S.C. 552a(k)(1) may be exempt from the following subsections of 5 U.S.C. 552a: (c)(3), (d), (e)(1), (e)(4)(G) through (I) and (f) to the extent that a record system contains any record properly classified under Executive Order 12958 and that the record is required to be kept classified in the interest of national defense or foreign policy. This specific exemption rule, claimed by the Inspector General under authority of 5 U.S.C. 552a(k)(1), is applicable to all systems of records maintained, including those individually designated for an exemption herein as well as those not otherwise specifically designated for an exemption, which may contain isolated items of properly classified information

(b) The Inspector General of the Department of Defense claims an exemption for the following record systems under the provisions of 5 U.S.C. 552a(j) and (k)(1)–(7) from certain indicated subsections of the Privacy Act of 1974. The exemptions may be invoked and exercised on a case by case basis by the Deputy Assistant Inspector General for Investigations or the Director, Investigative Support Directorate and Freedom of Information Act/Privacy Act Division Chief which serves as the Systems Program Managers. Exemptions will be exercised only when necessary for a specific, significant and legitimate reason connected with the purpose of the records system.

(c) No personal records releasable under the provisions of The Freedom of Information Act (5 U.S.C. 552) will be withheld from the subject individual based on these exemptions.

(d) *System Identifier:* CIG–04

(1) *System name:* Case Control System.

(2) *Exemption:* Any portion of this system which falls within the provisions of 5 U.S.C. 552a(j)(2) may be exempt from the following subsections of 5 U.S.C. 552a: (c)(3), (c)(4), (d), (e)(1), (e)(2), (e)(3), (e)(4)(G), (H), (I), (e)(5), (e)(8), (f), and (g).

(3) *Authority:* 5 U.S.C. 552a(j)(2).

(4) *Reasons:* From subsection (c)(3) because the release of accounting of disclosure would inform a subject that he or she is under investigation. This information would provide considerable advantage to the subject in providing him or her with knowledge concerning the nature of the investigation and the coordinated investigative efforts and techniques employed by the cooperating agencies. This would greatly impede OIG's criminal law enforcement.

(5) From subsection (c)(4) and (d), because notification would alert a subject to the fact that an open investigation on that individual is taking place, and might weaken the on-going investigation, reveal investigatory techniques, and place confidential informants in jeopardy.

(6) From subsection (e)(1) because the nature of the criminal and/or civil investigative function creates unique problems in prescribing a specific parameter in a particular case with respect to what information is relevant or necessary. Also, due to OIG's close liaison and working relationships with other Federal, state, local and foreign country law enforcement agencies, information may be received which may relate to a case under the investigative jurisdiction of another agency. The maintenance of this information may be necessary to provide leads for appropriate law enforcement purposes and to establish patterns of activity which

may relate to the jurisdiction of other cooperating agencies.

(7) From subsection (e)(2) because collecting information to the fullest extent possible directly from the subject individual may or may not be practical in a criminal and/or civil investigation.

(8) From subsection (e)(3) because supplying an individual with a form containing a Privacy Act Statement would tend to inhibit cooperation by many individuals involved in a criminal and/or civil investigation. The effect would be somewhat adverse to established investigative methods and techniques.

(9) From subsection (e)(4) (G) through (I) because this system of records is exempt from the access provisions of subsection (d).

(10) From subsection (e)(5) because the requirement that records be maintained with attention to accuracy, relevance, timeliness, and completeness would unfairly hamper the investigative process. It is the nature of law enforcement for investigations to uncover the commission of illegal acts at diverse stages. It is frequently impossible to determine initially what information is accurate, relevant, timely, and least of all complete. With the passage of time, seemingly irrelevant or untimely information may acquire new significance as further investigation brings new details to light.

(11) From subsection (e)(8) because the notice requirements of this provision could present a serious impediment to law enforcement by revealing investigative techniques, procedures, and existence of confidential investigations.

(12) From subsection (f) because the agency's rules are inapplicable to those portions of the system that are exempt and would place the burden on the agency of either confirming or denying the existence of a record pertaining to a requesting individual might in itself provide an answer to that individual relating to an on-going investigation. The conduct of a successful investigation leading to the indictment of a criminal offender precludes the applicability of established agency rules relating to verification of record, disclosure of the record to that individual, and record amendment procedures for this record system.

(13) For comparability with the exemption claimed from subsection (f), the civil remedies provisions of subsection (g) must be suspended for this record system. Because of the nature of criminal investigations, standards of accuracy, relevance, timeliness, and completeness cannot apply to this record system. Information gathered in an investigation is often fragmentary and leads relating to an individual in the context of one investigation may instead pertain to a second investigation.

(e) *System Identification:* CIG–06.

(1) *System name:* Investigative Files.

(2) *Exemption:* Any portion of this system which falls within the provisions of 5 U.S.C. 552a(j)(2) may be exempt from the following subsections of 5 U.S.C. 552a (c)(3), (c)(4), (d), (e)(1), (e)(2), (e)(3), (e)(4) (G), (H), (I), (e)(5), (e)(8), (f), and (g).

(3) *Authority:* 5 U.S.C. 552a(j)(2).

(4) *Reasons:* From subsection (c)(3) because the release of accounting of disclosure would inform a subject that he or she is under investigation. This information would provide considerable advantage to the subject in providing him or her with knowledge concerning the nature of the investigation and the coordinated investigative efforts and techniques employed by the cooperating agencies. This would greatly impede OIG's criminal law enforcement.

(5) From subsection (c)(4) and (d), because notification would alert a subject to the fact that an open investigation on that individual is taking place, and might weaken the on-going investigation, reveal investigatory techniques, and place confidential informants in jeopardy.

(6) From subsection (e)(1) because the nature of the criminal and/or civil investigative function creates unique problems in prescribing a specific parameter in a particular case with respect to what information is relevant or necessary. Also, due to OIG's close liaison and working relationships with other Federal, state, local and foreign country law enforcement agencies, information may be received which may relate to a case under the investigative

jurisdiction of another agency. The maintenance of this information may be necessary to provide leads for appropriate law enforcement purposes and to establish patterns of activity which may relate to the jurisdiction of other cooperating agencies.

(7) From subsection (e)(2) because collecting information to the fullest extent possible directly from the subject individual may or may not be practical in a criminal and/or civil investigation.

(8) From subsection (e)(3) because supplying an individual with a form containing a Privacy Act Statement would tend to inhibit cooperation by many individuals involved in a criminal and/or civil investigation. The effect would be somewhat adverse to established investigative methods and techniques.

(9) From subsection (e)(4) (G) through (I) because this system of records is exempt from the access provisions of subsection (d).

(10) From subsection (e)(5) because the requirement that records be maintained with attention to accuracy, relevance, timeliness, and completeness would unfairly hamper the investigative process. It is the nature of law enforcement for investigations to uncover the commission of illegal acts at diverse stages. It is frequently impossible to determine initially what information is accurate, relevant, timely, and least of all complete. With the passage of time, seemingly irrelevant or untimely information may acquire new significance as further investigation brings new details to light.

(11) From subsection (e)(8) because the notice requirements of this provision could present a serious impediment to law enforcement by revealing investigative techniques, procedures, and existence of confidential investigations.

(12) From subsection (f) because the agency's rules are inapplicable to those portions of the system that are exempt and would place the burden on the agency of either confirming or denying the existence of a record pertaining to a requesting individual might in itself provide an answer to that individual relating to an on-going investigation. The conduct of a successful investigation leading to the indictment of a criminal offender precludes the applicability of established agency rules relating to verification of record, disclosure of the record to that individual, and record amendment procedures for this record system.

(13) For comparability with the exemption claimed from subsection (f), the civil remedies provisions of subsection (g) must be suspended for this record system. Because of the nature of criminal investigations, standards of accuracy, relevance, timeliness, and completeness cannot apply to this record system. Information gathered in an investigation is often fragmentary and leads relating to an individual in the context of one investigation may instead pertain to a second investigation.

(f) *System Identifier:* CIG–15

(1) *System name:* Special Inquiries Investigative Case File and Control System.

(2) *Exemption:* Any portions of this system which fall under the provisions of 5 U.S.C. 552a(k)(2) may be exempt from the following subsections of 5 U.S.C. 552a: (c)(3), (d), (e)(1), (e)(4)(G–H), and (f).

(3) *Authority:* 5 U.S.C. 552a(k)(2).

(4) *Reasons:* From subsection (c)(3) because disclosures from this system could interfere with the just, thorough and timely resolution of the compliant or inquiry, and possibly enable individuals to conceal their wrongdoing or mislead the course of the investigation by concealing, destroying or fabricating evidence or documents.

(5) From subsection (d) because disclosures from this system could interfere with the just thorough and timely resolution of the compliant or inquiry, and possibly enable individuals to conceal their wrongdoing or mislead the course of the investigation by concealing, destroying or fabricating evidence or documents. Disclosures could also subject sources and witnesses to harassment or intimidation which jeopardize the safety and well-being of themselves and their families.

(6) From subsection (e)(1) because the nature of the investigation function creates unique problems in prescribing specific parameters in a particular case as to what information is relevant or

necessary. Due to close liaison and working relationships with other Federal, state, local and foreign country law enforcement agencies, information may be received which may relate to a case under the investigative jurisdiction of another government agency. It is necessary to maintain this information in order to provide leads for appropriate law enforcement purposes and to establish patterns of activity which may relate to the jurisdiction of other cooperating agencies.

(7) From subsection (e)(4) (G) through (H) because this system of records is exempt from the access provisions of subsection (d).

(8) From subsection (f) because the agency's rules are inapplicable to those portions of the system that are exempt and would place the burden on the agency of either confirming or denying the existence of a record pertaining to a requesting individual might in itself provide an answer to that individual relating to an on-going investigation. The conduct of a successful investigation leading to the indictment of a criminal offender precludes the applicability of established agency rules relating to verification of record, disclosure of the record to that individual, and record amendment procedures for this record system.

(g) *System Identifier:* CIG–16.

(1) *System name:* DOD Hotline Program Case Files.

(2) *Exemption:* Any portions of this system of records which fall under the provisions of 5 U.S.C. 552a(k)(2) and (k)(5) may be exempt from the following subsections of 5 U.S.C. 552a: (c)(3), (d), (e)(1), (e)(4)(G), (H), and (f).

(3) *Authority:* 5 U.S.C. 552a(k)(2) and (k)(5).

(4) *Reasons:* From subsection (c)(3) because disclosures from this system could interfere with the just, thorough and timely resolution of the complaint or inquiry, and possibly enable individuals to conceal their wrongdoing or mislead the course of the investigation by concealing, destroying or fabricating evidence or documents.

(5) From subection (d) because disclosures from this system could interfere with the just, thorough and timely resolution of the complaint or inquiry, and possibly enable individuals to conceal their wrongdoing or mislead the course of the investigation by concealing, destroying or fabricating evidence or documents. Disclosures could also subject sources and witnesses to harassment or intimidation which jeopardize the safety and well-being of themselves and their families.

(6) From subsection (e)(1) because the nature of the investigation functions creates unique problems in prescribing specific paramenters in a particular case as to what information is relevant or necessary. Due to close liaison and working relationships with other Federal, state, local, and foreign country law enforcement agencies, information may be received which may relate to a case under the investigative jurisdiction of another government agency. It is necessary to maintain this information in order to provide leads for appropriate law enforcment purposes and to establish patterns of activity which may relate to the jurisdiction of other cooperating agencies.

(7) From subsection (e)(4)(G) through (H) because this system of records is exempt from the access provisions of subsection (d).

(8) From subsection (f) because the agency's rules are inapplicable to those portions of the system that are exempt and would place the burden on the agency of either confirming or denying the existence of a record pertaining to a requesting individual might in itself provide an answer to that individual relating to an on-going investigation. The conduct of a successful investigation leading to the indictment of a criminal offender precludes the applicability of established agency rules relating to verification of record, disclosure of the record to that individual, and record amendment procedures for this record system.

[56 FR 51976, Oct. 17, 1991, as amended at 57 FR 24547, June 10, 1992; 61 FR 2916, Jan. 30, 1996]

§ 312.13 Ownership of OIG investigative records.

(a) Criminal and or civil investigative reports shall not be retained by DoD recipient organizations. Such reports are the property of OIG and are on loan to the recipient organization for the purpose for which requested or

provided. All copies of such reports shall be destroyed within 180 days after the completion of the final action by the requesting organization.

(b) Investigative reports which require longer periods of retention may be retained only with the specific written approval of OIG.

§312.14 Referral of records.

An OIG system of records may contain records other DoD Components or Federal agencies originated, and who may have claimed exemptions for them under the Privacy Act of 1974. When any action is initiated on a portion of any several records from another agency which may be exempt, consultation with the originating agency or component will be affected. Documents located within OIG system of records coming under the cognizance of another agency will be referred to that agency for review and direct response to the requester.

PART 313—THE CHAIRMAN OF THE JOINT CHIEFS OF STAFF AND THE JOINT STAFF PRIVACY PROGRAM

AUTHORITY: Pub. L. 93–579, 88 Stat. 1896 (5 U.S.C. 552a).

§313.1 Source of regulations.

The Office of the Joint Chiefs of Staff is governed by the Privacy Act implementation regulations of the Office of the Secretary of Defense, 32 CFR part 311.

[40 FR 55535, Nov. 28, 1975. Redesignated at 56 FR 55631, Oct. 29, 1991, as amended at 56 FR 57802, Nov. 14, 1991]

PART 314—DEFENSE ADVANCED RESEARCH PROJECTS AGENCY, PRIVACY ACT OF 1974

AUTHORITY: Pub. L. 93–579, 88 Stat. 1896 (5 U.S.C. 552a).

§314.1 Source of regulations.

The Defense Advanced Research Projects Agency is governed by the Privacy Act implementation regulations of the Office of the Secretary of Defense, 32 CFR part 311.

[40 FR 55535, Nov. 28, 1975. Redesignated at 56 FR 55631, Oct. 29, 1991, as amended at 56 FR 57802, Nov. 14, 1991]

PART 315—UNIFORMED SERVICES UNIVERSITY OF HEALTH SCIENCES, PRIVACY ACT OF 1974

AUTHORITY: Pub. L. 93–579, 88 Stat. 1896 (5 U.S.C. 552a).

§315.1 Source of regulations.

The Uniformed Services University of the Health Sciences, is governed by the Privacy Act implementation regulations of the Office of the Secretary of Defense, 32 CFR part 311.

[40 FR 55535, Nov. 28, 1975. Redesignated at 56 FR 55631, Oct. 29, 1991, as amended at 56 FR 57802, Nov. 14, 1991]

PART 316—DEFENSE INFORMATION SYSTEMS AGENCY PRIVACY PROGRAM

Sec.

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AUTHORITY: Pub. L. 93–579, 88 Stat. 1986 (5 U.S.C. 552a).

SOURCE: 40 FR 55535, Nov. 28, 1975, unless otherwise noted. Redesignated at 57 FR 6074, Feb. 20, 1992.

§316.1 Purpose.

This part delineates responsibility and provides guidance for the implementation of Pub. L. 93–579 (Privacy Act of 1974).

§316.2 Applicability.

This part applies to Headquarters, Defense Information Systems Agency (DISA) and DISA field activities.

[40 FR 55535, Nov. 28, 1975. Redesignated at 57 FR 6074, Feb. 20, 1992, as amended at 62 FR 26389, May 14, 1997]

§ 316.3 Authority.

This part is published in accordance with the authority contained in 32 CFR part 310, August 1975.

[40 FR 55535, Nov. 28, 1975. Redesignated and amended at 57 FR 6074, Feb. 20, 1992]

§ 316.4 Definitions.

Add to the definitions contained in 32 CFR 310.6 the following:

System Manager: The DISA official who is responsible for policies and procedures governing a DISA System of Record. His title and duty address will be found in the paragraph entitled Sysmanager in DISA's Record System Notices which are published in the FEDERAL REGISTER in compliance with provisions of the Privacy Act of 1974.

[40 FR 55535, Nov. 28, 1975. Redesignated and amended at 57 FR 6074, Feb. 20, 1992; 62 FR 26389, May 14, 1997]

§ 316.5 Policy.

It is the policy of DISA:

(a) To preserve the personal privacy of individuals, to permit an individual to know what records exist pertaining to him in the DISA, and to have access to and have a copy made of all or any portion of such records and to correct or amend such records.

(b) To collect, maintain, use, or disseminate any record of identifiable personal information in a manner that assures that such action is for a necessary and lawful purpose; that the information is timely and accurate for its intended use; and that adequate safeguards are provided to prevent misuse of such information.

[40 FR 55535, Nov. 28, 1975. Redesignated at 57 FR 6074, Feb. 20, 1992, as amended at 62 FR 26389, May 14, 1997]

§ 316.6 Procedures and responsibilities.

(a) The Counsel, DISA, is hereby designated the Privacy Act Officer for DISA and is responsible for insuring that an internal DISA Privacy Program is established and maintained. He will also insure that all echelons of DISA effectively comply with and implement 32 CFR part 310.

(b) The Civilian Assistant to the Chief of Staff will be responsible for the annual reporting requirements contained in 32 CFR 310.5.

(c) DISA System Managers and other appropriate DISA officials will:

(1) Insure compliance with the provisions of 32 CFR 310.9.

(2) Comply with the provisions of 32 CFR 286a.11. In this area the Assistant to the Director for Administration will provide assistance.

(3) Adhere to the following:

(i) Within DISA, the System Manager of any record system will assure that records pertaining to an individual will be disclosed, upon request, to the individual to whom the record pertains. The individual need not state a reason or otherwise justify the need to gain access. A person of the individual's choosing may accompany the individual when the record is disclosed. The System Manager may require the individual to furnish a written statement authorizing discussion of the individual's records in the presence of the accompanying person. If requested, the System Manager will have a copy made of all or any portion of the record pertaining to the individual in a form comprehensible to the requester.

(ii) The System Manager may release records to the individual's representative who has the written consent of the individual. The System Manager will require reasonable identification of individuals to assure that records are disclosed to the proper person. No verification of identity will be required of an individual seeking access to records which are otherwise available to any member of the public under the Freedom of Information Act. Identification requirements should be consistent with the nature of the records being disclosed. For disclosure of records to an individual in person, the System Manager will require that the individual show some form of identification. For records disclosed to an individual in person or by mail, the System Manager may require whatever identifying information is needed to locate the record; i.e., name, social security number, date of birth. If the sensitivity of the data warrants, the System Manager may require a signed notarized statement of identity. The System Manager may compare the signatures of the requester with those in the

records to verify identity. An individual will not be denied access to his record for refusing to disclose his social security number unless disclosure is required by statute or by regulation adopted before 1 January 1975. An individual will not be denied access to records pertaining to him because the records are exempted from disclosure under the provisions of the Freedom of Information Act.

(iii) The System Manager will not deny access to a record or a copy thereof to an individual solely because its physical presence is not readily available (i.e. on magnetic tape) or because the context of the record may disclose sensitive information about another individual. To protect the personal privacy of other individuals who may be identified in a record, the System Manager shall prepare an extract to delete only that information which would not be releasable to the requesting individual under the Freedom of Information Act.

(iv) When the System Manager is of the opinion that the disclosure of medical information could have an adverse effect upon the individual to whom it pertains, the System Manager will promptly request the individual to submit the name and address of a doctor who will determine whether the medical record may be disclosed directly to the individual. The System Manager will then request the opinion of the doctor named by the individual on whether a medical record may be disclosed to the individual. The System Manager shall disclose the medical record to the individual to whom it pertains unless, in the judgment of the doctor, access to the record could have an adverse effect upon the individual's physical or mental health. In this event the System Manager will transmit the record to the doctor and immediately inform the individual.

(v) The fees to be charged, if any, to an individual for making copies of his record, excluding the cost of any search for and review of the record, will be in accordance with the ''Schedule of Fees'' as set forth in 32 CFR 286.5 and 286.10.

(vi) The System Manager of the record will permit an individual to request amendment of a record pertaining to the individual. Requests to amend records shall be in person or in writing and shall be submitted to the System Manager who maintains the records. Such requests should contain as a minimum, identifying information needed to locate the record, a brief description of the item or items of information to be amended, and the reason for the requested change.

(vii) The System Manager will provide a written acknowledgment of the receipt of a request to amend a record to the individual who requested the amendment within 10 days (excluding Saturdays, Sundays, and legal public holidays) after the date of receipt of such request. Such an acknowledgment may, if necessary, request any additional information needed to make a determination. No acknowledgment is required if the request can be reviewed and processed and the individual notified of compliance or denial within the 10 day period.

(viii) The System Manager will promptly take one of the following actions on requests to amend records:

(A) Refer the request to the agency or office that has control of and maintains the record in those instances where the record requested remains the property of the controlling office or agency.

(B) In accordance with existing statute, regulation, or administrative procedure, make any correction of any portion thereof which the individual believes is not accurate, relevant, timely or complete, or

(C) Inform the individual of the System Manager's refusal to amend the record in accordance with the individual's request, the reason for the refusal, and the individual's right to request a review of the refusal by the Director, DISA, through the DISA Privacy Act Board.

(ix) The DISA Privacy Act Board will be comprised of the DISA Counsel, as Chairman; the Assistant to the Director for Administration, and the Assistant to the Director for Personnel; or in their absence, their authorized representatives. The individual who disagrees with the refusal of the System Manager to amend his record may request a review of this refusal by the DISA Privacy Act Board. The request

for the review may be made orally or in writing and shall be made to the System Manager. The System Manager will promptly forward the request for review to the Chairman of the Board to make a proper review. The Board will promptly review the matter. If, after review, the Board is unanimous in its decision that the record be amended in accordance with the request of the individual then the Chairman of the Board shall so notify the System Manager. The System Manager will immediately make the necessary corrections to the record and will promptly notify the individual. The System Manager will, if an accounting of disclosure of the record has been made, advise all previous recipients of the record, which was corrected, of the correction and its substance. This will be done in all instances when a record is amended. If, after review, the Board decides that the request for amendment should be denied, it will promptly forward its recommendation to the Director, DCA. A majority vote of the members of the Board will constitute a recommendation to the Director.

(x) The Director, DISA, upon receipt of the Board's recommendation, will complete the review and make a final determination.

(xi) If the Director, DISA, after his review, agrees with the individual's request to amend the record, he will, through the DISA Counsel, so advise the individual in writing. The System Manager will receive a copy of the Director's decision and will assure that the record is corrected accordingly and that if an accounting of disclosure of the record has been made, advise all previous recipients of the record which was corrected of the correction and its substance.

(xii) If, after his review, the Director refuses to amend the records as the individual requested, he will, through the DISA Counsel, advise the individual of his refusal and the reasons for it; of the individual's right to file a concise statement setting forth the reasons for the individual's disagreement with the decision of the Director, DISA; that the statement which is filed will be made available to anyone to whom the record is subsequently disclosed together with, at the discretion of the Agency, a brief statement by the Agency summarizing its reasons for refusing to amend the record; that prior recipients of the disputed record will be provided a copy of any statement of dispute to the extent that an accounting of disclosures was maintained; and of the individual's right to seek judicial review of the Agency's refusal to amend a record.

(xiii) The Director's final determination on the individual's request for a review of the System Manager's initial refusal to amend the record must be concluded within 30 days (excluding Saturdays, Sundays, and legal public holidays) from the date on which the individual requested such review unless the Director determines that a fair and equitable review cannot be made within that time. If additional time is required, the individual will be informed in writing of reasons for the delay and of the approximate date on which the review is expected to be completed.

(xiv) After the Director, DISA has refused to amend a record and the individual has filed a statement setting forth the reasons for the individual's disagreement with the decision of the Director, the System Manager will clearly note any portion of the record which is disputed. The System Manager's notation should make clear that the record is disputed and this should be apparent to anyone who may subsequently have access to, use, or disclose the record. When the System Manager has previously disclosed or will subsequently disclose that portion of the record which is disputed he will note that that portion of the record is disputed and will provide the recipients of the record with a copy of the individual's statement setting forth the reasons for the individual's disagreement with the decision of the Director not to amend the record. The System Manager will also provide recipients of the disputed record with a brief summary of the Director's reasons for not making the requested amendments to the record.

(xv) Nothing herein shall allow an individual access to any information compiled in reasonable anticipation of a civil action or proceeding.

(xvi) Any requests by an individual for access to or copies of his records

shall be processed in accordance with this part and 32 CFR part 310.

(d) DISA System Managers will be:

(1) Responsible for complying with the provisions contained in 32 CFR 310.8 relating to the disclosure to others of personal records, obtaining the written consent of individuals to whom the record pertains, and for keeping an accurate accounting of each disclosure of a record.

(2) Responsible for providing to the Civilian Assistant to the Chief of Staff the information requested in 32 CFR 310.5. However, the information will be reported on a quarterly basis with the first report due to the Civilian Assistant to the Chief of Staff by 31 December 1975.

(e) The Assistant to the Director for Administration, Headquarters, DCA will:

(1) Be responsible for furnishing written guidelines to assist System Managers and other DISA officials in evaluating and implementing paperwork management procedures required under the Privacy Act of 1974. In this regard it should be noted that the Act establishes a number of requirements. Among these are the requirements:

(i) To disclose records contained in a system of records only under conditions specified in the law,

(ii) To maintain an accounting of such disclosures,

(iii) To establish procedures for the disclosure to an individual of his record or information pertaining to him,

(iv) For reviewing a request concerning the amendment of such record, and

(v) For permitting individuals to file a statement of disagreement which will be forwarded with subsequent disclosures.

The guidelines will cover those portions of the Privacy Act which requires paperwork systems for implementation. In preparing those guidelines the Assistant to the Director for Administration will make use of the ''Records Management System for Implementing the Privacy Act'' as provided by the GSA and National Archives and Records Service, Office of Records Management. The GSA and NARA procedures and guidelines will be adapted and modified as required to meet DISA needs.

(2) Be responsible for providing the ''Forms'' which are required to comply with 32 CFR 310.9(b).

(f) The Assistant to the Director for Personnel, Headquarters, DISA will:

(1) Be responsible for development, within DISA, of an appropriate training program for all DISA personnel whose duties involve responsibilities for systems of records affected by the Privacy Act.

(2) Assure that DISA personnel involved in the design, development, operation, or maintenance of any system of records, as defined in 32 CFR 310.6 are informed of all requirements to protect the privacy of the individuals who are subjects of the records. The criminal penalties and civil suit aspects of the Privacy Act will be emphasized.

(3) Assure that within DISA administrative and physical safeguards are established to protect information from unauthorized or unintentional access, disclosure, modification or destruction and to insure that all persons whose official duties require access to or processing and maintenance of personal information are trained in the proper safeguarding and use of such information.

[40 FR 55535, Nov. 28, 1975. Redesignated and amended at 57 FR 6074, Feb. 20, 1992; 62 FR 26389, May 14, 1997]

§316.7 Questions.

Questions on both the substance and procedure of the Privacy Act and the DISA implementation thereof should be addressed to the DISA Counsel by the most expeditious means possible, including telephone calls.

[40 FR 55535, Nov. 28, 1975. Redesignated at 57 FR 6074, Feb. 20, 1992, as amended at 62 FR 26390, May 14, 1997]

§316.8 Exemptions.

Section 5 U.S.C. 552a (3)(j) and (3)(k) authorize an agency head to exempt certain systems of records or parts of certain systems of records from some of the requirements of the act. This part reserves to the Director, DISA, as head of an agency, the right to create exemptions pursuant to the exemption provisions of the act. All systems of records maintained by DISA shall be exempt from the requirements of 5

U.S.C. 552a (d) pursuant to 5 U.S.C. 552a(3)(k)(1) to the extent that the system contains any information properly classified under Executive Order 11652, ''Classification and Declassification of National Security Information and Material,'' dated March 8, 1972 (37 FR 10053, May 19, 1972) and which is required by the executive order to be kept secret in the interest of national defense or foreign policy. This exemption, which may be applicable to parts of all systems of records, is necessary because certain record systems not otherwise specifically designated for exemptions may contain isolated information which has been properly classified.

[42 FR 20298, Apr. 19, 1977. Redesignated at 57 FR 6074, Feb. 20, 1992, as amended at 62 FR 26390, May 14, 1997]

PART 317—DEFENSE CONTRACT AUDIT AGENCY PRIVACY ACT PROGRAM

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AUTHORITY: Privacy Act of 1974, Pub. L. 93–579, 88 Stat. 1896 (5 U.S.C. 552a).

SOURCE: 57 FR 48992, Oct. 29, 1992, unless otherwise noted.

Subpart A—General Provisions

§317.1 Purpose.

(a) This part consolidates into a single document, the Defense Contract Audit Agency policies and procedures for implementing the Privacy Act of 1974 (5 U.S.C. 552a), as amended, by authorizing the development, publication and maintenance of the DCAA Privacy Act Program set forth by DCAA Regulation 5410.10[1], ''Privacy Act Program'', and DCAA Manual 5410.16[2], ''DCAA Privacy Act Processing Guide.''

(b) Its purpose is to delegate authorities and assign responsibilities for the administration of the DCAA Privacy Act Program and to prescribe uniform procedures for agency personnel consistent with DoD 5025.1–M[3], ''DoD Directives System Procedures.''

§317.2 Applicability and scope.

(a) This part applies to all DCAA organizational elements and takes precedence over all regional regulatory issuances that supplement the DCAA Privacy Program.

(b) This part shall be made applicable by contract or other legally binding action to contractors whenever a DCAA contract provides for the operation of a system of records or portion of a system of records to accomplish an agency function.

§317.3 Definitions.

(a) *Access*. The review of a record or a copy of a record or parts thereof in a system of records by any individual.

(b) *Agency*. For the purposes of disclosing records subject to the Privacy Act among DoD components, the Department of Defense is considered a single agency. For all other purposes to include applications for access and amendment, denial of access or amendment, appeals from denials, and recordkeeping as regards release to non-DoD agencies; each DoD component, including DCAA, is considered an agency within the meaning of the Privacy Act.

(c) *Confidential source*. A person or organization who has furnished information to the Federal Government under an express promise that the person's or the organization's authority will be held in confidence or under an implied promise of such confidentiality if this implied promise was made before September 27, 1975.

(d) *Defense Data Integrity Board*. Consists of members of the Defense Privacy Board, as established pursuant to 32 CFR part 310, and in addition the Inspector General, DoD or the designee, when convening to oversee, coordinate and approve or disapprove all DoD component computer matching covered by the Privacy Act.

(e) *Disclosure*. The transfer of any personal information from a system of records by any means of communication (such as oral, written, electronic, mechanical, or actual review) to any person, private entity, or government agency, other than the subject of the record, the subject's designated agent or the subject's legal guardian.

(f) *Federal benefit program*. Any program administered or funded by the Federal Government, or by any agent or state on behalf of the Federal Government, providing cash or in-kind assistance in the form of payments, grants, loans, or loan guarantees to individuals.

(g) *Federal benefit program match*. A computerized comparison of two or

[1] Copies may be obtained, at cost, from the Defense Contract Audit Agency, ATTN: CMO, Cameron Station, Alexandria, VA 22304–6178.

[2] See footnote 1 to §317.1(a).

[3] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

more automated systems of records or an automated system of records with automated non-Federal records for the purpose of establishing or verifying the eligibility of or continuing compliance with statutory and regulatory requirements by, applicants for, recipients and beneficiaries (both present and past) of, participants in, or providers of services with respect to, cash or in-kind assistance or payments under Federal benefit programs; or recouping payments or delinquent debts under such Federal benefit programs.

(h) *Federal personnel.* Officers and employees of the Government of the United States, members of the uniformed services (including members of the reserve components), individuals entitled to receive immediate or deferred retirement benefits under any retirement program of the Government of the United States (including survivor benefits).

(i) *Federal personnel match.* A computerized comparison of two or more automated Federal personnel or payroll systems of records or an automated Federal personnel or payroll system of records with automated non-Federal records.

(j) *Individual.* A living citizen of the United States or an alien lawfully admitted to the United States for permanent residence. The legal guardian of an individual has the same rights as the individual and may act on his or her behalf. No rights are vested in the representative of a dead person under this chapter and the term ''individual'' does not embrace an individual acting in an interpersonal capacity (for example, sole proprietorship or partnership).

(k) *Individual access.* Access to information pertaining to the individual by the individual or his or her designated agent or legal guardian.

(l) *Maintain.* Includes maintain, collect, use, or disseminate.

(m) *Matching agency.* The agency which actually performs the match.

(n) *Matching program.* (1) The term means any computerized comparison of:

(i) Two or more automated systems of records or a system of records with non-Federal records for the purpose of:

(A) Establishing or verifying the eligibility of, or continuing compliance with statutory and regulatory requirements by, applicants for, recipients or beneficiaries of, participants in, or providers of services with respect to, cash or in-kind assistance or payments under Federal benefit programs, or

(B) Recouping payments or delinquent debts under such Federal benefit programs, or

(ii) Two or more automated Federal personnel or payroll systems of records or a system of Federal personnel or payroll records with non-Federal records,

(iii) But does not include:

(A) Matches performed to produce aggregate statistical data without any personal identifiers.

(B) Matches performed to support any research for statistical project, the specific data of which may not be used to make decisions concerning the rights, benefits, or privileges of specific individuals.

(C) Matches performed by an agency which performs as its principal function any activity pertaining to the enforcement of criminal laws, subsequent to the initiation of a specific criminal or civil law enforcement investigation of a named person or persons for the purpose of gathering evidence against such person or persons.

(iv) Matches of tax information.

(A) Pursuant to section 6103(d) of the Internal Revenue Code of 1986.

(B) For purposes of tax administration as defined in section 6301(b)(4) of such Code.

(C) For the purpose of intercepting a tax refund due an individual under authority granted by section 464 or 1137 of the Social Security Act; or

(D) For the purpose of intercepting a tax refund due an individual under any other tax refund intercept program authorized by statute which has been determined by the Director of the Office of Management and Budget to contain verification, notice, and hearing requirements that are substantially similar to the procedures in section 1137 of the Social Security Act.

(E) Matches. *(1)* Using records predominantly relating to Federal personnel, that are performed for routine administrative purposes (subject to guidance provided by the Director of the Office of Management and Budget pursuant to subsection (v) of the Privacy Act).

(2) Conducted by an agency using only records from systems of records maintained by that agency; if the purpose of the match is not to take any adverse financial, personnel, disciplinary, or other adverse action against Federal personnel; or

(F) Matches performed for foreign counterintelligence purposes or to produce background checks for security clearances of Federal personnel or Federal contractor personnel.

(o) *Member of the public.* Any individual or party acting in a private capacity to include Federal employees or military personnel.

(p) *Non-Federal agency.* Any state or local government, or agency thereof, which receives records contained in a system of records from a source agency for use in a matching program.

(q) *Official use.* Within the context of this chapter, this term is used when officials and employees of the Agency have a demonstrated need for the use of any record or the information contained therein in the performance of their official duties, subject to DCAA Regulation 5410.10.

(r) *Personal information.* Information about an individual that is intimate or private to the individual, as distinguished from information related solely to the individual's official functions or public life.

(s) *Privacy Act.* The Privacy Act of 1974 (5 U.S.C. 552a), as amended.

(t) *Privacy Act request.* A request from an individual for notification as to the existence of, access to, or amendment of records pertaining to that individual. These records must be maintained in a system of records. The request must indicate that it is being made under the Privacy Act to be considered a Privacy Act request.

(u) *Recipient agency.* Any agency, or contractor thereof, receiving records contained in a system of records from a source agency for use in a matching program.

(v) *Record.* Any item, collection, or grouping of information about an individual that is maintained by an agency, including, but not limited to, the individual's education, financial transactions, medical history, and criminal or employment history, and that contains the individual's name, or identifying number, symbol, or other identifying particular assigned to the individual, such as a finger or voice print or a photograph.

(w) *Risk assessment.* An analysis considering information sensitivity, vulnerabilities, and the cost to a computer facility or word processing activity in safeguarding personal information processed or stored in the facility or activity. Applies to manual and automated systems.

(x) *Routine use.* The disclosure of a record outside the Agency for a use that is compatible with the purpose for which the information was collected and maintained by the Agency. The routine use must be included in the published system notice for the system of records involved.

(y) *Source agency.* Any agency which discloses records contained in a system of records to be used in a matching program, or any state or local government, or agency thereof, which discloses records to be used in a matching program.

(z) *Statistical record.* A record maintained only for statistical research or reporting purposes and not used in whole or in part in making determinations about specific individuals.

(aa) *System of records.* A group of records under the control of the Agency from which information is retrieved by the individual's name or by some identifying number, symbol, or other identifying particular assigned to the individual. System notices for all Privacy Act systems of records must be published in the FEDERAL REGISTER.

(bb) *Word processing equipment.* Any combination of electronic hardware and computer software integrated in a variety of forms (programmable software, hard wiring, or similar equipment) that permits the processing of textual data.

(cc) *Word processing system.* A combination of equipment employing automated technology, systematic procedures, and trained personnel for the primary purpose of manipulating human thoughts and verbal or written communications into a form suitable to the originator.

§ 317.4 Policy.

It is DCAA policy that personnel will comply with the DCAA Privacy Program and the Privacy Act of 1974. Strict adherence is necessary to ensure uniformity in the implementation of the DCAA Privacy Program and create conditions that will foster public trust. It is also agency policy to safeguard personal information contained in any system of records maintained by DCAA organizational elements and to make that information available to the individual to whom it pertains to the maximum extent practicable. DCAA policy specifically requires that DCAA organizational elements:

(a) Collect, maintain, use, and disseminate personal information only when it is relevant and necessary to achieve a purpose required by statute or Executive Order.

(b) Collect personal information directly from the individuals to whom it pertains to the greatest extent practical.

(c) Inform individuals who are asked to supply personal information for inclusion in any system of records:

(1) The authority for the solicitation.

(2) Whether furnishing the information is mandatory or voluntary.

(3) The intended uses of the information.

(4) The routine disclosures of the information that may be made outside of Department of Defense; and

(5) The effect on the individual of not providing all or any part of the requested information.

(d) Ensure that records used in making determinations about individuals and those containing personal information are accurate, relevant, timely, and complete for the purposes for which they are being maintained before making them available to any recipients outside of Department of Defense, other than a Federal agency, unless the disclosure is made under DCAA Regulation 5410.10, DCAA Freedom of Information Act Program (32 CFR part 290).

(e) Keep no record that describes how individuals exercise their rights guaranteed by the First Amendment to the U.S. Constitution, unless expressly authorized by statute or by the individual to whom the records pertain or is pertinent to and within the scope of an authorized law enforcement activity.

(f) Notify individuals whenever records pertaining to them are made available under compulsory legal processes, if such process is a matter of public record.

(g) Establish safeguards to ensure the security of personal information and to protect this information from threats or hazards that might result in substantial harm, embarrassment, inconvenience, or unfairness to the individual.

(h) Establish rules of conduct for DCAA personnel involved in the design, development, operation, or maintenance of any system of records and train them in these rules of conduct.

(i) Assist individuals in determining what records pertaining to them are being collected, maintained, used, or disseminated.

(j) Permit individual access to the information pertaining to them maintained in any system of records, and to correct or amend that information, unless an exemption for the system has been properly established for an important public purpose.

(k) Provide, on request, an accounting of all disclosures of the information pertaining to them except when disclosures are made:

(1) To DoD personnel in the course of their official duties.

(2) Under 32 CFR part 290; and

(3) To another agency or to an instrumentality of any governmental jurisdiction within or under control of the United States conducting law enforcement activities authorized by law.

(l) Advise individuals on their rights to appeal any refusal to grant access to or amend any record pertaining to them, and file a statement of disagreement with the record in the event amendment is refused.

§317.5 Responsibilities.

(a) *Headquarters.* (1) The *Assistant Director, Resources* has overall responsibility for the DCAA Privacy Act Program and will serve as the sole appellate authority for appeals to decisions of respective initial denial authorities. Under his direction, the *Chief, Information Resources Management Branch*, under the supervision of the *Chief, Administrative Management Division* shall:

(i) Establish, issue, and update policies for the DCAA Privacy Act Program; monitor compliance with this part; and provide policy guidance for the DCAA Privacy Act Program.

(ii) Resolve conflicts that may arise regarding implementation of DCAA Privacy Act policy.

(iii) Designate an agency Privacy Act Advisor, as a single point of contact, to coordinate on matters concerning Privacy Act policy.

(iv) Make the initial determination to deny an individual's written Privacy Act request for access to or amendment of documents filed in Privacy Act systems of records. This authority cannot be delegated.

(2) The *DCAA Privacy Act Advisor* under the supervision of the Chief, Information Resources Management Branch shall:

(i) Manage the DCAA Privacy Act Program in accordance with this part and applicable DCAA policies, as well as Department of Defense and Federal regulations.

(ii) Provide guidelines for managing, administering, and implementing the DCAA Privacy Act Program.

(iii) Implement and administer the Privacy Act program at the Headquarters.

(iv) Ensure that the collection, maintenance, use, or dissemination of records of identifiable personal information is in a manner that assures that such action is for a necessary and lawful purpose; that the information is timely and accurate for its intended use; and that adequate safeguards are provided to prevent misuse of such information.

(v) Maintain and publish DCAA Pamphlet 5410.13[4], ''DCAA Compilation of Privacy Act System Notices''; DCAA Pamphlet 5410.15[5], ''Privacy Act of 1974, An Employee Guide to Privacy''; and DCAA Manual 5410.16, ''DCAA Privacy Act Processing Guide.''

(vi) Prepare promptly any required new, amended, or altered system notices for systems of records subject to the Privacy Act and submit them to the Defense Privacy Office for subsequent publication in the FEDERAL REGISTER.

(vii) Prepare the annual Privacy Act Report as required by 32 CFR part 310, ''DoD Privacy Act Program.''

(viii) Conduct training on the Privacy Act program for agency personnel.

(3) *Heads of Principal Staff Elements* are responsible for:

(i) Reviewing all regulations or other policy and guidance issuances for which they are the proponent to ensure consistency with the provisions of this part.

(ii) Ensuring that the provisions of this part are followed in processing requests for records.

(iii) Forwarding to the DCAA Privacy Act Advisor, any Privacy Act requests received directly from a member of the public, so that the request may be administratively controlled and processed.

(iv) Ensuring the prompt review of all Privacy Act requests, and when required, coordinating those requests with other organizational elements.

(v) Providing recommendations to the DCAA Privacy Act Advisor regarding the releasability of DCAA records to members of the public, along with the responsive documents.

(vi) Providing the appropriate documents, along with a written justification for any denial, in whole or in part, of a request for records to the DCAA Privacy Act Advisor. Those portions to be excised should be bracketed in red pencil, and the specific exemption or exemptions cited which provide the basis for denying the requested records.

(4) The *General Counsel* is responsible for:

(i) Ensuring uniformity is maintained in the legal position, and the interpretation of the Privacy Act (32 CFR part 310), and this part.

[4] See footnote 1 to §317.1(a).

[5] See footnote 1 to §317.1(a).

(ii) Consulting with General Counsel, Department of Defense on final denials that are inconsistent with decisions of other DoD components, involve issues not previously resolved, or raise new or significant legal issues of potential significance to other Government agencies.

(iii) Providing advice and assistance to the Assistant Director, Resources; Regional Directors; and the Regional Privacy Act Officer, through the DCAA Privacy Act Advisor, as required, in the discharge of their responsibilities.

(iv) Coordinating Privacy Act litigation with the Department of Justice.

(v) Coordinating on Headquarters denials of initial requests.

(5) Each *Regional Director* is responsible for the overall management of the Privacy Act program within their respective regions. Under his/her direction, the *Regional Resources Manager* is responsible for the management and staff supervision of the program and for designating a *Regional Privacy Act Officer*.

(i) *Regional Directors* will, as designee of the Director, make the initial determination to deny an individual's written Privacy Act request for access to or amendment of documents filed in Privacy Act systems of records. This authority cannot be delegated.

(ii) *Regional Privacy Act Officers* will:

(A) Implement and administer the Privacy Act program throughout the region.

(B) Ensure that the collection, maintenance, use, or dissemination of records of identifiable personal information is in a manner that assures that such action is for a necessary and lawful purpose; that the information is timely and accurate for its intended use; and that adequate safeguards are provided to prevent misuse of such information.

(C) Prepare input for the annual Privacy Act Report as shown in DCAA Manual 5410.16 when requested by the DCAA Information and Privacy Advisor.

(D) Conduct training on the Privacy Act program for regional and FAO personnel.

(E) Provide recommendations to the Regional Director through the Regional Resources Manager regarding the releasability of DCAA records to members of the public.

(6) *Managers, Field Audit Offices (FAOs)* will:

(i) Ensure that the provisions of this part are followed in processing requests for records.

(ii) Forward to the Regional Privacy Act Officer, any Privacy Act requests received directly from a member of the public, so that the request may be administratively controlled and processed.

(iii) Ensure the prompt review of all Privacy Act requests, and when required, coordinating those requests with other organizational elements.

(iv) Provide recommendations to the Regional Privacy Act Officer regarding the releasibility of DCAA records to members of the public, along with the responsive documents.

(v) Provide the appropriate documents, along with a written justification for any denial, in whole or in part, of a request for records to the Regional Privacy Act Officer. Those portions to be excised should be bracketed in red pencil, and the specific exemption or exemptions cited which provide the basis for denying the requested records.

(7) *DCAA Employees* will:

(i) Not disclose any personal information contained in any system of records, except as authorized by this part.

(ii) Not maintain any official files which are retrieved by name or other personal identifier without first ensuring that a notice for the system has been published in the FEDERAL REGISTER.

(iii) Report any disclosures of personal information from a system of records or the maintenance of any system of records that are not authorized by this part to the appropriate Privacy Act officials for their action.

§ 317.6 Procedures.

Procedures for processing material in accordance with the Privacy Act of 1974 are outlined in subparts B through L of this part.

Subpart B—Systems of Records

§317.10 General.

(a) *System of records.* To be subject to this part, a ''system of records'' must:

(1) Consist of ''records'' that are retrieved by the name or some other personal identifier of an individual, and

(2) Be under the control of the Agency.

(b) *Retrieval practices.* (1) Records in a group of records that could be retrieved by personal identifiers, but are not covered by this part, even if the records contain information about individuals and are under the control of the agency. The records must, in fact, be retrieved by personal identifiers in order to become a system of records.

(2) If records previously not retrieved by personal identifiers are rearranged so they are retrieved by personal identifiers, a new system of records is created and a notice of the system must be published in the FEDERAL REGISTER of its existence.

(3) If records in a system of records are rearranged so retrieval no longer is by personal identifiers, the records are no longer subject to this part and the records system notice shall be deleted.

(c) *Recordkeeping standards.* A record maintained in a system of records must meet the following criteria:

(1) The record must be accurate--all information in the record must be factually correct.

(2) The record must be relevant--all information contained in the record must be related to the individual who is the subject of record and also must be related to a lawful purpose or mission of the agency.

(3) The record must be timely--all information in the record must be reviewed periodically to ensure that it has not changed due to time or later events.

(4) The record must be complete--it must be able to stand alone in accomplishing the purpose for which it is maintained.

(5) The record must be necessary--all information in the record must be needed to accomplish the agency mission or purpose established by Federal law or Executive Order of the President.

(d) *Authority to establish systems of records.* The specific Federal statute or Executive Order of the President should be identified that authorizes maintaining each system of records. A statute or Executive Order authorizing a system of records does not negate the responsibility to ensure the information in the system of records is relevant and necessary.

(e) *Exercise of first amendment rights.* (1) Records should not be maintained describing how an individual exercises rights guaranteed by the first amendment of the U.S. Constitution unless:

(i) Expressly authorized by Federal law;

(ii) Expressly authorized by the individual; or

(iii) Pertinent to and within the scope of an authorized law enforcement activity.

(2) First amendment rights include, but are not limited to, freedom of religion, freedom of political beliefs, freedom of speech, freedom of the press, the right to assemble, and the right to petition.

(f) *System manager's evaluations and reviews.* (1) Each new proposed system of records shall be evaluated.

(i) The information to be included in the system should be evaluated before establishing it.

(ii) The following factors should be considered:

(A) The relationship of each item of information to be collected and retained to the purpose for which the system is maintained. All information must be relevant to the purpose.

(B) The specific impact on the purpose or mission if each category of information is not collected. All information must be necessary to accomplish a lawful purpose or mission.

(C) The ability to meet the informational needs without using personal identifiers (will anonymous statistical records meet the needs?).

(D) The length of time each item of information must be kept.

(E) The methods of disposal; and

(F) The cost of maintaining the information.

(2) All existing systems of records shall be evaluated and reviewed.

(i) When an alteration or amendment of an existing system is prepared, an evaluation must be performed.

(ii) Reviews should be conducted often and reports prepared which outline the results and corrective actions taken to resolve problems uncovered.

(A) Training practices should be reviewed annually to ensure all personnel are familiar with the requirements of the Privacy Act and any special needs their specific jobs entail.

(B) Recordkeeping and disposal practices should be reviewed annually to ensure compliance with this part.

(C) Each ongoing computer matching program in which records from the system have been matched with non-DoD records should be reviewed annually to ensure that the applicable requirements have been met.

(D) Actions of agency personnel that resulted in either the agency being found civilly liable or an employee being found criminally liable should be reviewed annually to determine the extent of the problem and find the most effective way of preventing the problem in the future.

(E) Each system of records notice should be reviewed annually to ensure it accurately describes the system. Where minor changes are needed, amend the system notice. If major changes are needed, alter the system notice.

(F) A random sample of agency contracts that provide for the operation of a system of records on behalf of the agency to accomplish an agency function should be reviewed every even-numbered year to ensure the wording of each contract complies with the provisions of the Privacy Act of 1974 (5 U.S.C. 552a).

(G) The routine use disclosures associated with each system of records should be reviewed every three years to ensure the recipient's use of the records continues to be compatible with the purpose for which the agency originally collected the information.

(H) Each system of records for which exemption rules have been established should be reviewed every three years to determine whether each exemption is still needed.

(iii) When directed, the reports should be sent through proper channels to the agency Privacy Act Advisor who will forward them to the Defense Privacy Office.

(g) *Discontinued information requirements.* (1) Any category or item of information about individuals that is no longer justified should not be collected, and when feasible, the information should be removed from existing records.

(2) Records that must be kept in accordance with retention and disposal needs established under DCAA Manual 5015.1[6], ''Files and Disposition Manual,'' shall not be destroyed.

(h) *Review records before disclosing them outside the Federal government.* Before disclosing a record from a system of records to anyone outside the Federal government, reasonable steps should be taken to ensure the record to be disclosed is accurate, relevant, timely, and complete for the purposes it is being maintained.

§ 317.11 Federal Government contractors.

(a) *Applicability to Federal government contractors.* (1) When the agency contracts for the operation of a system of records or portion thereof to accomplish an agency function, this part and 5 U.S.C. 552a are applicable. For purposes of the criminal penalties, the contractor and its employees shall be considered employees of the agency during the performance of the contract.

(2) Consistent with Parts 24 and 52 of the Federal Acquisition Regulation[7], contracts for the operation of a system of records or portion thereof shall identify specifically the record system and the work to be performed, and shall include in the solicitations and resulting contract such terms specifically prescribed by the FAR.

(3) If the contractor must use records that are subject to this part to perform any part of a contract, and the information would have been collected and maintained by the agency but for the contract, the contractor activities are subject to this rule.

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[6] See footnote 1 to § 317.1(a).

[7] For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402.

(4) This rule does not apply to records of a contractor that are:

(i) Established and maintained solely to assist the contractor in making internal contractor management decisions, such as records maintained by the contractor for use in managing the contract; or

(ii) Maintained as internal contractor employee records, even when used in conjunction with providing goods or services to the agency.

(iii) For contracting that is subject to this part, the agency shall:

(A) Inform prospective contractors of their responsibilities under the DCAA Privacy Program.

(B) Establish an internal system for reviewing contractor performance to ensure compliance with the DCAA Privacy Program; and

(C) Provide for the biennial review of a random sampling of agency contracts that are subject to this rule.

(b) *Contracting procedures.* The Defense Acquisition Regulatory Council is responsible for developing the specific policies and procedures for soliciting, awarding, and administering contracts.

(c) *Contractor compliance.* The agency shall establish contract surveillance programs to ensure contractors comply with the procedures established by the Defense Acquisition Regulatory Council pursuant to the preceding subsection.

(d) *Disclosing records to contractors.* Disclosing records to a contractor for use in performing a contract for the agency is considered a disclosure within the agency. The contractor is considered the agent of DCAA when receiving and maintaining the records for the agency.

§317.12 Safeguarding information in systems of records.

(a) *General responsibilities.* Appropriate administrative, technical, and physical safeguards shall be established to ensure the records in every system of records are protected from unauthorized alteration, destruction, or disclosure. The records shall be protected from reasonably anticipated threats or hazards that could result in substantial harm, embarrassment, inconvenience, or unfairness to any individual on whom information is maintained.

(b) *Minimum standards.* (1) Risk analysis and management planning shall be conducted for each system of records. Sensitivity and use of the records, present and projected threats and vulnerabilities, and present and projected cost-effectiveness of safeguards should be considered. The risk analysis may vary from an informal review of a small, relatively insensitive system to a formal, fully quantified risk analysis of a large, complex, and highly sensitive system.

(2) All personnel operating a system of records or using records from a system of records should be trained in proper record security procedures.

(3) Information exempt from disclosure under DCAA Freedom of Information Act Program (32 CFR part 290), shall be labeled to reflect its sensitivity, such as ''FOR OFFICIAL USE ONLY,'' ''PRIVACY ACT SENSITIVE: DISCLOSE ON A NEED-TO-KNOW BASIS ONLY,'' or some other language that alerts individuals to the sensitivity of the records.

(4) Special administrative, physical, and technical safeguards shall be employed to protect records stored or processed in an automated data processing or word processing system from threats unique to those environments.

(c) *Records disposal.* (1) Records from systems of records should be disposed of to prevent inadvertent disclosure. Disposal methods such as tearing, burning, melting, chemical decomposition, burying, pulping, pulverizing, shredding, or mutilation are considered adequate if the records are rendered unrecognizable or beyond reconstruction. Magnetic media may be cleared by degaussing, overwriting, or completely erasing.

(2) The transfer of large volumes of records (e.g., computer cards and printouts) in bulk to a disposal activity such as a Defense Reutilization and Marketing Office for authorized disposal is not a disclosure of records under this rule if volume of the records, coding of the information, or some other factor renders it impossible to recognize any personal information about a specific individual.

(3) When disposing or destroying large quantities of records from a system of records, care must be taken to ensure that the bulk of the records is maintained to prevent easy identification of specific records. If such bulk is maintained, no special procedures are required. If bulk is not maintained, or if the form of the records makes individually identifiable information easily discernible, dispose of the records in accordance with paragraph (c)(1) of this section.

Subpart C—Collecting Information About Individuals

§ 317.20 General considerations.

(a) *Collect directly from the individual.* To the greatest extent practicable, information should be collected for systems of records directly from the individual to whom the record pertains if the record may be used to make an adverse determination about the individual's rights, benefits, or privileges under Federal programs.

(b) *Soliciting the Social Security number.* (1) It is unlawful for any Federal, State, or local government agency to deny an individual a right, benefit, or privilege provided by law because the individual refuses to provide the Social Security Number (SSN). However, this prohibition does not apply if:

(i) A Federal law requires that the SSN be provided, or

(ii) The SSN is required by a law or regulation adopted before January 1, 1975, to verify the individual's identity for a system of records established and in use before that date.

(2) Before requesting an individual to provide the SSN, the individual shall be told:

(i) Whether providing the SSN is voluntary or mandatory,

(ii) By what law or other authority the SSN is solicited, and

(iii) What uses will be made of the SSN.

(3) The notice published in the FEDERAL REGISTER for each system of records containing SSNs solicited from individuals must indicate the authority for soliciting the SSNs and whether it is mandatory for the individuals to provide their SSNs. Executive Order 9397 permits Federal agencies to solicit SSNs as numerical identifiers for individuals in Federal records systems.

(4) Upon entrance into employment with the agency, individuals must provide their SSNs; therefore, they must be given the notification. The SSN is then the individual's numerical identifier and used to establish personnel, financial, medical, and other official records. After the individual has provided the SSN to establish the records, the notification is not required when the SSN is requested only for verification or to locate the records.

(5) The Federal Personnel Manual should be consulted when soliciting SSNs for use in systems of records controlled by the Office of Personnel Management.

(c) *Collecting information about individuals from third persons.* It might not always be practical to collect all information about the individual directly from the individual, such as when:

(1) Verifying information through other sources for security or employment suitability determinations.

(2) Seeking other opinions, such as a supervisor's comments on past performance or other evaluations.

(3) Obtaining the necessary information directly from the individual will be exceptionally difficult or will result in unreasonable costs or delays; or

(4) The individual requests or consents to contacting another person to obtain the information.

(d) *Privacy Act statement.* (1) When an individual is requested to furnish information about himself or herself for a system of records, a Privacy Act statement must be provided to the individual, regardless of the method used to collect the information (forms, personal interviews, telephonic interviews, etc.). If the information requested will not be included in a system of records, a Privacy Act statement is not required.

(2) The Privacy Act statement shall include the following:

(i) The Federal law or Executive Order of the President that authorizes collecting the information.

(ii) Whether it is voluntary or mandatory for the individual to provide the requested information.

(iii) The principal purposes for which the information will be used.

(iv) The routine uses that will be made of the information (to whom and why it will be disclosed outside the Department of Defense); and

(v) The effects, if any, on the individual if all or part of the information is not provided.

(3) The Privacy Act statement must appear on the form used to collect the information or on a separate form that can be retained by the individual requesting it. If the information is collected other than by the individual completing a form, such as when the information is solicited by telephone, the Privacy Act statement should be read to the individual and a copy sent to him or her on request.

(4) It is mandatory for an individual to furnish information about himself or herself for a system of records only when a Federal law or Executive Order of the President specifically imposes a duty to furnish the information and provides a penalty, e.g., criminal sanctions, for failure to do so. If furnishing the information is only a condition for granting a benefit or privilege voluntarily sought by the individual (such as a request for annual leave), it is voluntary for the individual to give the information. However, the denial of the benefit or privilege must be listed in the Privacy Act statement as one of the effects of not providing the information, i.e., the effects on the individual if the information is not provided.

§317.21 Forms.

(a) *DCAA forms.* (1) DCAA Regulation 5015.3[8], ''DCAA Forms Management Program,'' provides guidance for preparing the Privacy Act statement for use with DCAA forms.

(2) When forms are used to collect information about individuals for a system of records, the Privacy Act statement shall appear as follows (listed in the order of preference):

(i) Immediately below the title of the form.

(ii) Elsewhere on the front page of the form (clearly indicating it is the Privacy Act statement).

(iii) On the back of the form with a notation of its location below the title of the form, or

(iv) On a separate form which the individual may keep.

(b) *Non-DCAA forms.* Forms subject to 5 U.S.C. 552a issued by other DoD components or Federal agencies might contain a Privacy Act statement; however, the statement might not reflect accurately the authority, purposes, and routine uses applicable within the agency. If so, the activity using the form shall prepare a statement or supplement to the one provided with the form.

Subpart D—Access to Records

§317.30 Individual access to records.

(a) *Right of access* (1) The access provisions of this part are for individuals who are subjects of records maintained in DCAA systems of records.

(2) All information that can be released consistent with applicable laws and regulations should be made available to the subject of record.

(b) *Notification of record's existence.* Record managers of system of records shall establish procedures for notifying an individual, in response to a request, if the system of records contains a record pertaining to him or her.

(c) *Individual requests for access.* (1) Individuals shall address requests for access to records in systems of records to the responsible system manager or the regional Privacy Act officer.

(2) Requests for access may be oral or written; however, only written requests are to be maintained in the Privacy Act case file and counted when compiling the annual Privacy Act report.

(d) *Verifying identity.* (1) An individual shall provide reasonable verification of identity before obtaining access to records.

(2) Procedures for verifying identity shall not be complicated merely to discourage individuals from seeking access to records.

(3) When an individual seeks access in person, identification can be verified

[8] Copies may be obtained, at cost, from the Defense Contract Audit Agency, ATTN: CMO, Cameron Station, Alexandria, VA 22304–6178.

by documents normally carried by the individual, such as an identification card, driver's license, or other license, permit or pass normally used for identification purposes.

(4) When access is requested other than in person, identity may be verified by the individual's providing minimum identifying data such as full name, date and place of birth, or other information necessary to locate the record sought. If the information sought is sensitive, additional identifying data may be required.

(5) The individual may be accompanied by a person of his or her choice when viewing the record; however, the individual may be required to provide written authorization to have the record discussed in front of the other person.

(6) An individual shall not be denied access to a record solely for refusing to divulge the SSN, unless it is the only means of retrieving the record or verifying identity.

(7) An individual shall not be required to explain why he or she is seeking access to a record.

(8) Only a designated denial authority may deny access. The denial must be in writing.

(9) If notarization of requests is required for access, procedures shall be established for an alternate method of verification for individuals who do not have access to notary services, such as military members overseas. The following formats may be used as prescribed by 28 U.S.C. 1746:

(i) If executed outside of the United States: *''I declare (or certify, verify, or state) under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on (date). (Signature).''*

(ii) If executed within the United States, its territories, possessions, or commonwealths: *''I declare (or certify, verify, or state) under penalty of perjury that the foregoing is true and correct. Executed on (date). (Signature).''*

(e) *Granting individual access to records.* (1) The individual should be granted access to the original record (or exact copy) without any changes or deletions. A record that has been amended is considered the original.

(2) The individual's request should be granted for an exact copy of the record, and, upon the signed authorization of the individual, a copy should be provided to anyone designated by the individual. In either case, the copying fees may be assessed to the individual.

(3) If requested, explain any record or portion of a record that is not understood, as well as any changes or deletions.

(f) *Illegible, incomplete, or exempt records.* (1) Illegible or incomplete records. Individual access should not be denied solely because the physical condition or format of the record does not make it readily available, such as when the record is in a deteriorated state or on magnetic tape. In this case, the document should be recopied exactly or an extract can be prepared.

(2) Exempt records. A request for a record that is wholly or partially exempt from access shall also be processed under the Freedom of Information Act (FOIA). The requester shall be granted access to all information that is releasable under either this part or the FOIA. The agency may provide this information in the form of an extract or summary of the record. The provisions of this rule or the FOIA under which access was granted should be cited.

(g) *Access to medical and psychological records.* (1) Individual access to medical and psychological records should be provided, even if the individual is a minor, unless it is determined that access could have an adverse effect on the mental or physical health of the individual. This determination normally should be made in consultation with a medical practitioner.

(2) If it is medically indicated that access could have an adverse mental or physical effect on the individual, the record should be provided to a medical practitioner named by the individual, along with an explanation why access without medical supervision could be harmful to the individual.

(3) The named medical practitioner should not be required to request the record for the individual.

(4) If the individual refuses or fails to designate a medical practitioner, access shall be refused. The refusal is not

considered a denial for reporting purposes under the Privacy Act.

(h) *Access by parents and legal guardians.* (1) The parent of any minor, an individual under 18 years of age who is neither a member of a Military Service nor married, or the legal guardian of any individual declared by a court of competent jurisdiction to be incompetent due to physical or mental incapacity or age, may obtain access to the record of the minor or incompetent individual if the parent or legal guardian is acting on behalf of the minor or incompetent (i.e., for the benefit of the minor or incompetent). However, with respect to access by parents and legal guardians to medical records and medical determinations about minors, observe the following procedures:

(i) In the United States, the laws of the state where the records are located might afford special protection to certain medical records such as drug and alcohol abuse treatment records and psychiatric records. The state statutes might apply even if the records are maintained by a military medical facility.

(ii) For installations located outside the United States, the parent or legal guardian of a minor shall be denied access if all four of the following conditions are met:

(A) The minor at the time of the treatment or consultation was 15, 16, or 17 years old.

(B) The treatment or consultation was within a program authorized by law or regulation to provide confidentiality to the minor.

(C) The minor specifically indicated a desire that the treatment or consultation record be handled in confidence and not disclosed to a parent or guardian, and

(D) The parent or legal guardian does not have the written authorization of the minor or a valid court order granting access.

(2) A minor or incompetent has the same right of access as any other individual. The right of access of the parent or legal guardian is in addition to that of the minor or incompetent.

(i) *Access to information compiled in anticipation of a civil proceeding.* (1) An individual is not entitled to access information compiled in reasonable anticipation of a civil action or proceeding.

(2) The term ''civil action or proceeding'' includes quasi-judicial and pretrial judicial proceedings as well as formal litigation.

(3) Paragraphs (i)(1) and (2) of this section do not prohibit access to records compiled or used for purposes other than litigation, nor prohibit access to systems of records solely because they are frequently subject to litigation. The information must have been compiled for the primary purpose of litigation.

(4) Attorney work products prepared in conjunction with the paragraphs (i)(1) and (2) of this section are also protected.

(j) *Non-agency records.* (1) Certain documents under the control of DCAA personnel and used to assist them in performing official functions may not be considered agency records within the meaning of this part. Such documents, if maintained in accordance with the following subparagraph, are not systems of records that are subject to this part. Examples are personal telephone lists and personal notes kept to refresh the memory of the author.

(2) To be considered non-agency records, the documents must:

(i) Be maintained and discarded solely at the discretion of the author.

(ii) Be created only for the author's personal convenience.

(iii) Not be the result of official direction or encouragement, whether oral or written; and

(iv) Not be shown to other persons for any reason.

(k) *Relationship between the Privacy Act and the Freedom of Information Act (FOIA).* (1) Access requests that specifically state or reasonably imply that they are made under the Freedom of Information Act (5 U.S.C. 552), are processed pursuant to DCAA Regulation 5410.10 (32 CFR part 290).

(2) Access requests that specifically state or reasonably imply that they are made under the Privacy Act of 1974 (5 U.S.C. 552a) are processed pursuant to this part.

(3) Access requests that cite both the FOIA and the Privacy Act are processed under the Act that provides the greater degree of access. The requester

should be informed which Act was used in granting or denying access.

(4) Individual access should not be denied to records otherwise releasable under the Privacy Act or the Freedom of Information Act solely because the request does not cite the appropriate statute.

(l) *Time limits.* Access requests should be acknowledged within 10 working days after receipt, and access should be granted or denied within 30 working days, excluding Federal holidays.

§ 317.31 Reproduction fees.

(a) *Fee schedules.* The fees charged requesters shall include only the direct cost of reproduction and shall not include costs of:

(1) Time or effort devoted by agency personnel to searching for or reviewing the record.

(2) Fees not associated with the actual cost of reproduction.

(3) Producing a copy when it must be provided to the individual without cost under another regulation, directive, or law.

(4) Normal postage.

(5) Transportation of records or personnel, or

(6) Producing a copy when the individual has requested only to review the record and has not requested a copy to keep, and

(i) The only means of allowing review is to make a copy (e.g., the record is stored in a computer and a copy must be printed to provide individual access), or

(ii) The agency does not wish to surrender temporarily the original record for the individual to review.

(7) Compute fees using the appropriate portions of the fee schedule in 32 CFR part 286, subpart F.

(b) *Fee waivers.* (1) Fees shall be waived automatically if the direct cost of reproduction is less than $30, unless the individual is requesting an obvious extension or duplication of a previous request for which he or she was granted a waiver.

(2) Decisions to waive or reduce fees that exceed $30 may be made on a case-by-case basis.

§ 317.32 Denying individual access.

(a) *Denying individual access.* The subject of record may be denied access only if it:

(1) Was compiled in reasonable anticipation of a civil action or proceeding; or

(2) Is in a system of records that has been exempted from the access provisions of this part.

(3) The individual should be denied access only to those portions of the record for which the denial will serve a legitimate governmental purpose.

(4) An individual may be refused access for failure to comply with established procedural requirements, but must be told the specific reason for the refusal and the proper access procedures.

(b) *Notifying the individual.* Written denial of access must be given to the individual and must be documented in a Privacy Act case file. The denial shall include:

(1) The name, title, and signature of a designated denial authority.

(2) The date of the denial.

(3) The specific reason for the denial, citing the appropriate sections of the Privacy Act or this part authorizing the denial.

(4) Notice of the individual's right to appeal the denial within 60 calendar days of the date the notice is mailed; and

(5) The title and address of the appeal official.

(c) *Appeal procedures.* Appeal procedures provide for the following:

(1) Review by the Assistant Director, Resources, DCAA Headquarters, or his or her designee, of any appeal by an individual.

(2) Written notification to the individual by the Assistant Director, Resources shall:

(i) If the denial is sustained totally or in part, include:

(A) The reason for denying the appeal, citing the provision of the Privacy Act or this part upon which the denial is based.

(B) The date of the appeal determination.

(C) The name, title, and signature of the appeal authority; and

(D) A statement informing the applicant of the right to seek judicial relief in Federal District Court.

(ii) If the appeal is granted, advise the individual and provide access to the record sought.

(d) *Final action, time limits, and documentation.* (1) The written appeal notification granting or denying access is the final agency action on the initial request for access.

(2) All appeals shall be processed within 30 working days, excluding Federal holidays, of receipt, unless the appeal authority finds that an adequate review cannot be completed within that period. If additional time is needed, notify the applicant in writing, explaining the reason for the delay and when the appeal will be completed.

(3) All actions on appeals must be documented in the Privacy Act case file.

(e) *Denial of appeal by the agency's failure to act.* An individual may consider his or her appeal denied if the appeal authority fails:

(1) To take final action on the appeal within 30 working days, excluding Federal holidays, of receipt when no extension of time notice was given; or

(2) To take final action within the period established by the extension of time notice.

(f) *Denying access to Office of Personnel Management (OPM) records held by the agency.* (1) The records in all systems of records maintained in accordance with the OPM Government-wide system notices are only in the temporary custody of the agency.

(2) All requests for access to these records must be processed in accordance with the OPM Federal Personnel Manual as well as DCAA Manual 1400.1[9], ''DCAA Personnel Management Manual.''

(3) When DCAA initially denies access to a record in an OPM Government-wide system, the agency shall instruct the individual to direct any appeal to the Assistant Director for Workforce Information, Personnel Systems and Oversight Group, Office of Personnel Management, 1900 E Street, NW, Washington, DC 20415–0001.

[9] See footnote 1 to §317.1(a).

§317.33 Privacy Act case files.

(a) Documents used in processing notification, access, and amendment requests made under the Privacy Act or this part shall be filed in a Privacy Act case file established for each request, not in the record to which they pertain.

(b) Privacy Act case files should contain the following information:

(1) The request to be notified if a system of records contains a record pertaining to the individual and the request for access and amendment.

(2) Approval, denial, request for appeal, action on appeal, coordination action, and other documents relating to the request; and

(3) Documentation of reasons for exceeding the established time limits for processing the request.

(c) The Privacy Act case file shall not contain a copy of the record and shall not be used to make any determination about the individual, other than determinations about the Privacy Act request.

(d) The case file shall be used only to process requests and provide statistics such as for the annual report required by the Privacy Act.

Subpart E—Amendment of Records

§317.40 Individual review and amendment.

Individuals are encouraged to review periodically the information maintained about them in systems of records, and to avail themselves of the amendment procedures established by this part.

§317.41 Amending records.

(a) *Right to request amendment.* An individual may request the amendment of any record retrieved by his or her personal identifier from a system of records, unless the system has been exempted from the amendment procedures. See §317.133. Amendments are limited to correcting factual matters, not matters of opinion such as those contained in evaluations of promotion potential and performance appraisals.

(b) *Written amendment request.* The agency may require that amendment requests be in writing; however, this requirement shall not be used merely to discourage individuals from requesting valid amendments or to burden needlessly the amendment process. Only written amendment requests must be documented in the Privacy Act case file.

(c) *Content of amendment request.* An amendment request must include:

(1) A description of the information to be amended.

(2) The reason for the amendment.

(3) The type of amendment action sought (deletion, correction, or addition); and

(4) Copies of available documentary evidence supporting the request.

§ 317.42 Burden of proof.

The individual must provide adequate support for the request.

§ 317.43 Verifying identity.

The individual may be required to provide identification to prevent the inadvertent or intentional amendment of another's record.

§ 317.44 Limits on amending judicial and quasi-judicial evidence and findings.

This part does not permit the alteration of evidence presented in the course of judicial or quasi-judicial proceedings. Amendments to such records must be made in accordance with procedures established for such proceedings. This part does not permit a collateral attack on a judicial or quasi-judicial finding; however, it may be used to challenge the accuracy of recording the finding in a system of records.

§ 317.45 Standards for amendment request determinations.

The record which the individual requests to be amended must meet agency recordkeeping standards. The record must be accurate, relevant, timely, complete, and necessary. If the record in its present state does not meet each of the criteria, the amendment request shall be granted to the extent necessary to meet them.

§ 317.46 Time limits.

Within 10 working days, excluding Federal holidays, of receiving an amendment request, provide the individual a written acknowledgment of the request. If action on the amendment request is completed within the 10 working days and the individual is so informed, no separate acknowledgment is necessary. The acknowledgment must clearly identify the request and advise the individual when to expect notification of the completed action. Only under exceptional circumstances shall more than 30 working days, excluding Federal holidays, be required to complete the action on an amendment request. If a completed action takes longer than 30 working days, the delay must be explained fully in the Privacy Act case file.

§ 317.47 Granting an amendment request in whole or in part.

(a) *Notify the requester.* To the extent the amendment request is granted, the individual shall be notified and make the appropriate amendment.

(b) *Notify previous recipients.* All previous recipients of the information (as reflected in the disclosure accounting records) should be notified that the amendment has been made and provide each a copy of the amended record. Recipients who are known to be no longer retaining the record need not be advised of the amendment. If it is known that other DoD components or other Federal Agencies have been provided the information that was amended, or if the individual requests that other DoD components or other Federal agencies be notified, provide the notification even if those components or agencies are not listed in the disclosure accounting.

(c) *Documentation.* The action should be documented in the Privacy Act case file if the request for amendment was in writing.

§ 317.48 Denying an amendment request in whole or in part.

(a) If the amendment request is denied in whole or in part, the individual should be promptly notified in writing

and document the action in the Privacy Act case file. The notification to the individual shall include:

(b) *Basis for denial.* Those sections of the Privacy Act or this part upon which the denial is based.

(c) *Right to appeal.* Advice that the individual may appeal to the Assistant Director, Resources, or his or her designee for an independent review of the initial denial.

(d) *Appeal procedures.* The procedures for requesting an appeal, including the title and address of the official to whom the appeal should be sent; and

(e) *Appeal assistance.* Where the individual can receive assistance in filing the appeal.

§317.49 Appeal procedures.

Procedures to ensure the prompt, complete, and independent review of each denial of an amendment request if the individual appeals must ensure:

(a) *Appeals are forwarded.* The appeal with all supporting documentation, including that furnished by the individual and that contained in agency records, is provided to the Assistant Director, Resources, or his or her designee.

(b) *Standards for review.* The standard for deciding the appeal is whether the unamended record is accurate, relevant, timely, complete, and necessary. If the unamended record does not meet each of these criteria, the amendment request shall be granted to the extent necessary to meet them.

(c) *Time limits.* The appeal is processed within 30 working days, excluding Federal holidays, unless the appeal official determines that an adequate review cannot be completed within that period and gives the individual a written explanation of the reason and when the review will be completed.

(d) *Denial notification.* If the appeal is denied completely or in part, the individual is provided written notification that:

(1) The appeal has been denied, citing the sections of the Privacy Act or this rule on which the denial was based.

(2) The individual may file a statement of disagreement. An explanation of the filing procedures will be included in the written notification.

(3) If properly filed, the statement of disagreement shall be included in the record and furnished to all future recipients of the record and to all prior recipients of the record as listed on the disclosure accounting, except those known to be no longer retaining the record; and

(4) The individual may seek judicial review of the decision not to amend the record.

(e) *Amendment notification.* If the record is amended:

(1) The individual is notified promptly of the decision.

(2) All previous recipients of the record, as listed in the disclosure accounting (except those known to be no longer retaining the record), are notified of the amendment and provided a copy; and

(3) Any previous recipient known to be holding a copy of the record (but not listed in the disclosure accounting), as well as any other DoD component or other Federal agency named by the individual, also should be informed of the amendment and provided a copy.

(f) *Documentation.* All actions on the appeal shall be documented in the Privacy Act case file.

§317.50 Requests for amending OPM records.

The records in an OPM Government-wide system of records are only temporarily in the custody of the agency. Requests for amendment of these records must be processed in accordance with the OPM Federal Personnel Manual. The agency denial authority may deny a request, but all denials are subject to review by the Assistant Director for Workforce Information, Personnel Systems Oversight Group, Office of Personnel Management, 1900 E Street NW, Washington, DC 20415–0001.

§317.51 Individual's statement of disagreement.

(a) *Right to submit.* If the appeal authority refuses to amend the record as requested, the individual may submit a concise statement of disagreement listing the reasons for disagreeing with the refusal to amend.

(b) *Filing the statement.* If possible, incorporate the statement of disagreement into the record. If that is not possible, the record should be annotated to reflect that the statement was filed and maintain the statement so that it can be obtained readily when the disputed information is used or disclosed. For instance, automated record systems not programmed to accept statements of disagreement must be capable of having indicators entered to reflect the presence of statements on file and how to obtain them.

(c) *Inform previous recipients.* Copies of the statement of disagreement should be furnished to all individuals listed in the disclosure accounting of the record (except those known to be no longer retaining the record), as well as to all other known holders of copies of the record.

(d) *Disclosure.* Whenever the disputed information is disclosed for any purpose, ensure that the statement of disagreement also is used or disclosed.

§ 317.52 Agency's statement of reasons.

(a) *Right to file.* If the individual files a statement of disagreement, the agency may file a statement of reasons containing a concise summary of the agency's reasons for denying the amendment request.

(b) *Content.* The statement of reasons shall contain only those reasons given to the individual by the appeal official and shall not contain any comments on the individual's statement of disagreement.

(c) *Disclosure.* At the discretion of the agency, the statement of reasons may be disclosed to those individuals, DoD components, and other Federal agencies that receive the statement of disagreement.

Subpart F—Disclosure of Records

§ 317.60 Conditions of disclosure.

(a) *Disclosures to third persons.* (1) Under the Privacy Act, there are two terms describing how information from a record is provided:

(i) ''Access'' occurs when information from a record is provided or shown to the individual who is the subject of record or, if that individual is a minor or incompetent, to the parent or legal guardian.

(ii) ''Disclosure'' occurs when information from a record is provided or shown to anyone other than the subject of record, or the parent or legal guardian of a minor or incompetent.

(b) *When disclosures may be made.* Disclosures may be made only when:

(1) The subject of record gives written consent for the disclosure; or

(2) One of the twelve conditions specified in § 317.61.

(c) *Validation before disclosure.* Except for disclosures made under the FOIA or DCAA Regulation 5410.10 (32 CFR part 290), make reasonable efforts to ensure the record is accurate, relevant, timely, and complete for agency purposes before disclosing any record from a system of records to any recipient other than a Federal agency. Records discovered to have been improperly filed in the system of records should be removed before disclosure.

(1) If validation cannot be obtained from the record itself, the agency may contact the subject of record (if reasonably available) to verify the accuracy, timeliness, completeness, and relevancy of the information.

(2) If validation cannot be obtained from the record and the subject of record is not reasonably available, the recipient should be advised that the information is believed to be valid as of a specific date and reveal any factors bearing on the validity of the information.

§ 317.61 Non-consensual disclosures.

The Privacy Act provides twelve instances when a record in a system of records may be disclosed without the written consent of the subject of the record:

(a) *Disclosures within the Department of Defense for official purposes.* For purposes of disclosing records among DoD components, the Department of Defense is considered a single agency; hence, a record may be disclosed to any officer or employee in the Department

of Defense who needs it in the performance of official duties. Rank or position alone does not authorize the disclosure; there must be a demonstrated official need.

(b) *Disclosures required by the Freedom of Information Act (FOIA).* (1) A record must be disclosed if required by the FOIA, which is implemented by DCAA Regulation 5410.10 (32 CFR part 290).

(2) The FOIA requires that records be made available to any person requesting them in writing, unless the record is exempt from disclosure under one of the nine FOIA exemptions. Therefore, if a record is not exempt from disclosure, it must be provided to the requester.

(3) Certain records, such as personnel, medical, and similar files, are exempt from disclosure under FOIA Exemption number 6. Under that exemption, disclosure of information pertaining to an individual can be denied only when the disclosure would be ''a clearly unwarranted invasion of personal privacy.''

(4) Records or information from investigatory records, including personnel security investigatory records, are exempt from disclosure under the broader standard of ''an unwarranted invasion of personal privacy'' found in FOIA Exemption number 7. This broader standard applies only to investigatory records.

(5) A disclosure under the FOIA about civilian employees must be in accordance with DCAA Regulation 5410.8[10], but the following information normally may be disclosed from civilian employee records:

(i) Full name.

(ii) Present and past position titles and occupational series.

(iii) Present and past grades.

(iv) Present and past annual salary rates (including performance awards or bonuses, incentive awards, merit pay amount, Meritorious and Distinguished Executive Ranks, and allowances and differentials).

(v) Past duty stations.

(vi) Present duty station and future duty station (if finalized), including room numbers, shop designations, or other identifying information regarding buildings or places of employment, unless the duty stations have been determined by the agency to be sensitive, routinely deployable, or located in a foreign territory.

(vii) Position descriptions, identification of job elements, and those performance standards (but not actual performance appraisals) that the disclosure of which would not interfere with law enforcement programs or severely inhibit agency effectiveness.

(6) Disclosure of home addresses and home telephone numbers:

(i) The disclosure under the FOIA of home addresses and telephone numbers normally is considered a clearly unwarranted invasion of personal privacy and is prohibited. However, they may be disclosed if:

(A) The individual has consented, in writing, to the disclosure.

(B) The disclosure is required by the FOIA; or

(C) The disclosure is required by another Federal law, such as 42 U.S.C. 653, which provides assistance to states in locating parents who have defaulted on child support payments.

(ii) When compiling home addresses and telephone numbers, the individual shall be offered the option of authorizing disclosure of the information without further consent for specific purposes, such as locator services. In that case, the information may be disclosed for the stated purpose without further consent. If the information is to be disclosed for any other purpose, a signed consent permitting the additional disclosure must be obtained from the individual.

(iii) Before listing home addresses and home telephone numbers in telephone directories, the individual should be given the opportunity to refuse such a listing. If the individual requests that the home address or telephone number not be listed in the directory, additional fees should not be assessed associated with maintaining an unlisted number for government-owned telephone services.

(iv) The sale or rental of lists of names and addresses is prohibited unless such action is specifically authorized by Federal law, but this does not prohibit the disclosure of names and addresses otherwise permitted to be

[10] See footnote 1 to § 317.1(a).

made public, such as by DCAA Regulation 5410.10 (32 CFR part 290).

(c) *Disclosures for established routine uses.* (1) Records may be disclosed outside the agency if the disclosure is for an established routine use.

(2) A routine use shall:

(i) Be compatible with and related to the purpose for which the record was created.

(ii) Identify the persons or organizations to whom the record may be disclosed.

(iii) Identify specifically the uses for which the information may be employed by the receiving person or organization; and

(iv) Be contained in the system of records notice published previously in the FEDERAL REGISTER.

(3) A routine use shall be established for each user of the information outside the agency who needs the information for an official purpose.

(4) Routine uses may be established, discontinued, or amended without the consent of the individuals to whom the records pertain. However, new and amended routine uses must be published in the FEDERAL REGISTER at least 30 days before the information may be disclosed under their provisions.

(5) In addition to the routine uses established by the system notices published in the FEDERAL REGISTER, certain common ''blanket routine uses'' have been established for all systems of records maintained by the agency. These blanket routine uses are published in the FEDERAL REGISTER at the beginning of the listing of system notices for the agency. Unless a system notice specifically excludes a system of records from a blanket routine use, all blanket routine uses apply to that system. See appendix A to this part.

(6) If the ''routine user'' recipient has not been identified in the FEDERAL REGISTER or if the recipient, though identified, intends to employ the information for a purpose not published in the FEDERAL REGISTER, the written consent of the individual is required before the disclosure can be made.

(d) *Disclosures to the Bureau of the Census.* Records may be disclosed to the Bureau of the Census for purposes of planning or carrying out a census or survey or related activities under the provisions of 13 U.S.C. 8.

(e) *Disclosures for statistical research or reporting.* Records may be disclosed to a recipient for statistical research or reporting if:

(1) Prior to the disclosure, the recipient has provided adequate written assurance that the records shall be used solely for statistical research or reporting; and

(2) The records are transferred in a form that does not identify individuals.

(f) *Disclosures to the National Archives and Records Administration.* (1) Records may be disclosed to the National Archives and Records Administration for evaluation to determine whether the records have sufficient historical or other value to warrant preservation by the Federal government. If preservation is warranted, the records will be retained by the National Archives and Records Administration, which becomes the official owner of the records.

(2) Records may be disclosed to the National Archives and Records Administration to carry out records management inspections required by Federal law. Such disclosures are authorized by the National Archives and Records Act of 1984, Pub. L. 98–497.

(3) Records transferred to a Federal Records Center operated by the National Archives and Records Administration for storage are not within this category. Those records continue to be maintained and controlled by the agency. The Federal Records Center is considered the custodian agent of the agency.

(g) *Disclosures when requested for law enforcement purposes.* (1) A record may be disclosed to another agency or an instrumentality of any governmental jurisdiction within or under the control of the United States for a civil or criminal law enforcement activity if:

(i) The civil or criminal law enforcement activity is authorized by law (Federal, State, or local); and

(ii) The head of the agency or instrumentality (or his or her designee) has made a written request to DCAA specifying the particular record or portion desired and the law enforcement activity for which it is sought.

(2) Blanket requests for any and all records pertaining to an individual

shall not be honored. The requesting agency or instrumentality must specify each record or portion desired and how each relates to the authorized law enforcement activity.

(3) This disclosure provision applies when the law enforcement agency or instrumentality requests the record. If DCAA discloses a record outside the Department of Defense for law enforcement purposes without the individual's consent and without an adequate written request, the disclosure must be pursuant to an established routine use, such as the blanket routine use for law enforcement.

(h) *Disclosures to protect the health or safety of an individual.* (1) Records may be disclosed by any means and to any person pursuant to a showing of compelling circumstances affecting the health or safety of an individual. The affected individual need not be the subject of the record.

(2) Notification of the disclosure (date and what, why, and to whom disclosed) must be sent to the subject of the record. Sending the notification to the last known address is sufficient.

(i) *Disclosures to Congress.* (1) A record may be disclosed to either House of Congress on the initiative of the agency or at the request of either the Senate or House of Representatives as a whole.

(2) A record also may be disclosed to any committee, subcommittee, or joint committee of Congress if the disclosure pertains to a matter within the legislative or investigative jurisdiction of the committee, subcommittee, or joint committee.

(3) Individual members of Congress not acting on behalf of the entire house, a committee, subcommittee, or joint committee have no greater right to have records disclosed to them than any other individual. However, for Members of Congress making inquiries on behalf of individuals who are subjects of records, a blanket routine use has been established to permit disclosures to individual members of Congress.

(i) When responding to a congressional inquiry made on behalf of a constituent by whose identifier the record is retrieved, there is no need to verify that the individual has authorized the disclosure to the Member of Congress.

(ii) The oral statement of a congressional staff member is sufficient to establish that a request has been received from the individual to whom the record pertains.

(iii) If the constituent inquiry is made on behalf of an individual other than the subject of the record, provide the Member of Congress only that information releasable under the FOIA. The Member of Congress should be advised that the written consent of the subject of record is required before additional information may be disclosed. The subject of record should not be contacted to obtain consent for the disclosure to the Member of Congress unless the congressional office specifically requests that it be done.

(j) *Disclosures to the Comptroller General for the General Accounting Office.* Records may be disclosed to the Comptroller General, or his or her authorized representative, for the performance of the duties of the General Accounting Office.

(k) *Disclosures pursuant to court orders.* (1) Records may be disclosed pursuant to the order of a court of competent jurisdiction.

(2) The court order must bear the signature of a Federal, State, or local judge. Orders signed by court clerks or attorneys are not deemed to be orders of a court of competent jurisdiction. A photocopy of the order, regular on its face, will be sufficient evidence of the court's exercise of its authority if the minimal requirements of DCAA Regulation 5410.11, ''Release of Official Information in Litigation and Testimony by DCAA Personnel as Witness.''

(3) When a record is disclosed under this provision and the compulsory legal process becomes a matter of public record, make reasonable efforts to notify the subject of the record. Notification sent to the last known address of the individual is sufficient.

(l) *Disclosures to consumer reporting agencies.* (1) Certain information may be disclosed to consumer reporting agencies as defined by 31 U.S.C. 952d.

(2) Under these provisions, the following information may be disclosed to a consumer reporting agency:

(i) Name, address, taxpayer identification number (SSN), and other information necessary to establish the identity of the individual.

(ii) The amount, status, and history of the claim; and

(iii) The agency or program under which the claim arose.

(3) 31 U.S.C. 952d specifically requires that the FEDERAL REGISTER notice for the system of records from which the information will be disclosed indicate that the information may be disclosed to a consumer reporting agency.

§ 317.62 Disclosures to commercial enterprises.

(a) *General policy*. (1) Records may be disclosed to commercial enterprises only under the criteria established by the FOIA.

(2) The relationship of commercial enterprises to their customers or clients and to the agency is not changed by this part.

(3) The policy on personal indebtedness for civilian employees, is contained in DCAA Manual 1400.1, DCAA Personnel Management Manual.

(b) *Disclosure of information*. (1) Any information required to be disclosed by the FOIA may be disclosed to a requesting commercial enterprise.

(2) Commercial enterprises may present a concise statement signed by the individual indicating specific conditions for disclosing information from a record. Statements such as the following, if signed by the individual, are considered sufficient to authorize the disclosure:

I hereby authorize the Defense Contract Audit Agency to verify my Social Security Number or other identifying information and to disclose my home address and telephone number to authorized representatives of (name of commercial enterprise) to be used in connection with my commercial dealings with that enterprise. All information furnished will be used in connection with my financial relationship with (name of commercial enterprise).

(3) When a consent statement as described in the preceding paragraph is presented, the information should be provided to the commercial enterprise, unless the disclosure is prohibited by another regulation or Federal law.

(4) Requests should not be honored from commercial enterprises for official evaluations or personal characteristics such as personal financial habits.

§ 317.63 Disclosing health care records to the public.

This section applies to the disclosure of information to the news media and the public concerning individuals treated or hospitalized in DoD medical facilities and, when the cost of care is paid by the agency, in non-Federal facilities.

(a) *Disclosures without the individual's consent*. Normally, the following information may be disclosed without the individual's consent:

(1) Information required to be released by the FOIA, as well as the information listed for military personnel and for civilian employees; and

(2) The following general information concerning medical condition:

(i) Date of admission or disposition; and

(ii) Present medical assessment of the individual's condition in the following terms, if the medical practitioner has volunteered the information:

(A) The individual's condition presently is (stable) (good) (fair) (serious) (critical), and

(B) The patient is conscious, semiconscious, or unconscious.

(b) *Disclosures with the individual's consent*. With the individual's informed consent, any information about the individual may be disclosed. If the individual is a minor or has been declared incompetent by a court of competent jurisdiction, the parent or the appointed legal guardian may give consent on behalf of the individual.

(c) *Disclosures to other government agencies*. This section does not limit otherwise lawful disclosures to other government agencies for use in determining eligibility for special assistance or other benefits provided there is a published routine use permitting the disclosure.

§ 317.64 Accounting for disclosures.

(a) *When to keep disclosure accountings*. An accurate record of all disclosures made from a record (including

those made with the consent of the individual) should be kept except those made:

(1) To DCAA personnel for use in performing their official duties; and

(2) Pursuant to DCAA Regulation 5410.10 (32 CFR part 290).

(b) *Content of disclosure accountings.* Disclosure accountings shall contain:

(1) The date of the disclosure.

(2) A description of the information disclosed.

(3) The purpose of the disclosure; and

(4) The name and address of the person or agency to whom the disclosure was made.

(c) *Using disclosure accountings.* When an individual's request to amend the record is granted and when an individual files a statement of disagreement, all persons and agencies listed in the disclosure accounting, except those known to be no longer retaining the record, must be informed.

(d) *Individual access to disclosure accountings.* The record subject has the right of access to the disclosure accounting except when:

(1) The disclosure was made at the request of a civil or criminal law enforcement agency, or

(2) The system of records has been exempted from the requirement to provide access to the disclosure accounting.

(e) *Methods of disclosure accounting.* (1) The agency may use any method of disclosure accounting that will readily provide the necessary disclosure information required.

(2) When numerous similar records are disclosed (e.g., sending payroll checks to banks), identify the category of records disclosed and include the information in some form that can be used to construct a disclosure accounting.

(f) *Retaining disclosure accountings.* The disclosure accounting shall be retained for five years after the disclosure was made or the life of the record, whichever is longer.

Subpart G—Publication Requirements

§ 317.70 Federal Register publication.

(a) *Documents that must be published in the* FEDERAL REGISTER. (1) Three types of documents relating to the Privacy Program must be published in the FEDERAL REGISTER:

(i) DCAA Privacy Program procedural rules (32 CFR part 317).

(ii) DCAA exemption rules (32 CFR part 317), and

(iii) Record system notices.

(2) DoD 5025.1–M, ''DoD Directives System Procedures,'' and DoD Directive 5400.9, ''Publication of Proposed and Adopted Regulations Affecting the Public'' (32 CFR part 336), contain information on preparing documents for publication in the FEDERAL REGISTER.

(b) *Effect of publication in the* FEDERAL REGISTER. Publishing a document in the FEDERAL REGISTER constitutes official public notice of the existence and content of the document.

(c) *Formal rulemaking and notices.* (1) DCAA Privacy Program procedural and exemption rules are subject to the rulemaking procedures prescribed by 32 CFR part 336. These are incorporated automatically into the Code of Federal Regulations.

(2) Record system notices are published in the FEDERAL REGISTER as ''notices.'' They are not subject to the rulemaking procedures or automatic incorporation into the Code of Federal Regulations.

(d) *Submitting Privacy Program procedural rules for publication.* (1) Procedural rules must be published in the FEDERAL REGISTER first as proposed rules to allow for public comment, then as final rules.

(2) The DCAA Privacy Advisor will submit to the Defense Privacy Office all proposed rules implementing this rule. The submission must conform to the FEDERAL REGISTER format.

(3) This part published as a final rule in the FEDERAL REGISTER shall be incorporated by regions as their own

rules by reference rather than by republication. A region that simply implements this part as its own rule need not publish it as a final rule in the FEDERAL REGISTER.

(4) Amendments to agency rules are submitted in the same manner as the original rules.

(5) The Defense Privacy Office, DA&M, reviews and submits all DoD component rules, and amendments to rules to the FEDERAL REGISTER for publication.

(e) *Submitting exemption rules for publication.* (1) Exemption rules must be published in the FEDERAL REGISTER first as proposed rules to allow for public comment, then as final rules.

(2) No system of records shall be exempt from any provision of the Privacy Act until the exemption rule has been published in the FEDERAL REGISTER as a final rule.

(3) Proposed exemption rules should be submitted in proper format through the agency Privacy Advisor to the Defense Privacy Office, DA&M, for review and submittal to the FEDERAL REGISTER for publication.

(4) Amendments to exemption rules are submitted in the same manner as the original exemption rules.

(f) *Submitting record system notices for publication.* (1) Although system notices are not subject to formal rulemaking procedures, advance public notice must be given before the agency may begin to collect information for or maintain a new system of records. The notice procedures require that:

(i) The record system notice describe the contents of the record system and the purposes and routine uses for which the information will be used and disclosed.

(ii) The public be given 30 days to comment on any proposed routine uses before the routine uses are implemented; and

(iii) The notice contain the date the system of records will become effective.

(2) System notices shall be submitted though the agency Privacy Advisor to the Defense Privacy Office, DA&M, for publication in the FEDERAL REGISTER.

§ 317.71 Exemption rules.

(a) *General procedures.* This section provides guidance for establishing exemptions for systems of records.

(b) *Content of exemption rules.* (1) Each proposed exemption rule submitted for publication in the FEDERAL REGISTER must contain:

(i) The agency identification and name of the record system for which an exemption will be established.

(ii) The subsection(s) of the Privacy Act which grants the agency authority to claim an exemption for the system (e.g., subsection (k)(2) or (k)(5) of the Privacy Act).

(iii) The particular subsection(s) of the Privacy Act which the system will be exempt from (e.g., subsections (c)(3), (d)(1)–(5) of the Privacy Act); and

(iv) The reasons why an exemption from the particular subsection identified in the preceding subparagraph is being claimed.

§ 317.72 System of records notices.

(a) *Contents of a record system notice.* The following data captions are prescribed by the Office of the FEDERAL REGISTER and must be included for each system notice:

(1) System identifier.

(2) System name.

(3) System location.

(4) Categories of individuals covered by the system.

(5) Categories of records in the system.

(6) Authority for maintenance of the system.

(7) Purpose(s).

(8) Routine uses of records maintained in the system, including categories of users and purposes of the uses.

(9) Policies and practices for storing, retrieving, accessing, retaining, and disposing of records in the system.

(10) System manager(s) and address.

(11) Notification procedures.

(12) Record access procedures.

(13) Contesting records procedures.

(14) Record source categories; and

(15) Exemptions claimed for the system.

(b) *System identification.* The system identifier must appear in all system

notices. It is limited to 21 positions, including agency code, file number, symbols, punctuation, and spaces.

(c) *System name.* (1) The system name must indicate the general nature of the system of records and, if possible, the general category of individuals to whom it pertains.

(2) Acronyms should be established parenthetically following the first use of the name (e.g., ''Field Audit Office Management Information System (FMIS)''). Acronyms shall not be used unless preceded by such an explanation.

(3) The system name may not exceed 55 character positions, including punctuation and spaces.

(d) *System location.* (1) For a system maintained in a single location, provide the exact office name, organizational identity, routing symbol, and full mailing address. Do not use acronyms in the location address.

(2) For a geographically or organizationally decentralized system, describe each level of organization or element that maintains a portion of the system of records.

(3) For an automated data system with a central computer facility and input or output terminals at geographically separate locations, list each location by category.

(4) If multiple locations are identified by type of organization, the system location may indicate that official mailing addresses are published as an appendix to the agency's compilation of systems of records notices in the FEDERAL REGISTER. If no address directory is used, or if the addresses in the directory are incomplete, the address of each location where a portion of the record system is maintained must appear under the ''system location'' caption.

(5) Classified addresses shall not be listed, but the fact that they are classified shall be indicated.

(6) The U.S. Postal Service two-letter state abbreviation and the nine-digit zip code shall be used for all domestic addresses.

(e) *Categories of individuals covered by the system.* (1) Clear, nontechnical terms shall state the specific categories of individuals to whom records in the system pertain.

(2) Broad descriptions such as ''all DCAA personnel'' or ''all employees,'' should be avoided unless the term actually reflects the category of individuals involved.

(f) *Categories of records in the system.* (1) Clear, nontechnical terms shall be used to describe the types of records maintained in the system.

(2) The description of documents should be limited to those actually retained in the system of records. Source documents should not be described that are used only to collect data and then are destroyed.

(g) *Authority for maintenance of the system.* (1) The system of records must be authorized by a Federal law or Executive Order of the President, and the specific provision must be cited.

(2) When citing federal laws, include the popular names (e.g.,''5 U.S.C. 552a, The Privacy Act of 1974'') and for Executive Orders, the official titles (e.g., ''Executive Order 9397, Numbering System for Federal Accounts Relating to Individual Persons'').

(3) The Directive establishing the agency, DoD Directive 5105.36 (32 CFR part 357), as well as the law that authorizes the Secretary of Defense to issue Directives, 10 U.S.C. 133 should be cited.

(h) *Purpose(s).* The specific purpose(s) for which the system of records was created and maintained; that is, the uses of the records within the agency and the rest of the Department of Defense should be listed.

(i) *Routine uses.* (1) All disclosures of the records outside the agency, including the recipient of the disclosed information and the uses the recipient will make of it should be listed.

(2) If possible, the specific activity or element to which the record may be disclosed (e.g., ''to the Department of Veterans Affairs, Office of Disability Benefits'') should be listed.

(3) General statements such as ''to other Federal Agencies as required'' or ''to any other appropriate Federal agency'' should not be used.

(4) The blanket routine uses, published at the beginning of the agency's compilation, applies to all system notices, unless the individual system notice states otherwise.

(j) *Policies and practices for storing, retrieving, accessing, retaining, and disposing of records.* This section is divided into four parts.

(1) Storage: The method(s) used to store the information in the system (e.g., ''automated, maintained in computers and computer output products'' or ''manual, maintained in paper files'' or ''hybrid, maintained in paper files and in computers'') should be stated. Storage does not refer to the container or facility in which the records are kept.

(2) Retrievability: How records are retrieved from the system (e.g., ''by name,'' ''by SSN,'' or ''by name and SSN'') should be indicated.

(3) Safeguards: The categories of agency personnel who use the records and those responsible for protecting the records from unauthorized access should be stated. Generally the methods used to protect the records, such as safes, vaults, locked cabinets or rooms, guards, visitor registers, personnel screening, or computer ''fail-safe'' systems software should be identified. Safeguards should not be described in such detail as to compromise system security.

(4) Retention and disposal: Describe long records are maintained. When appropriate, the length of time records are maintained by the agency in an active status, when they are transferred to a Federal Records Center, how long they are kept at the Federal Records Center, and when they are transferred to the National Archives or destroyed should be stated. If records eventually are destroyed, the method of destruction (e.g., shredding, burning, pulping, etc), should be stated. If the agency rule is cited, the applicable disposition schedule shall also be identified.

(k) *System manager(s) and address.* (1) The title (not the name) and address of the official or officials responsible for managing the system of records should be listed.

(2) If the title of the specific official is unknown, such as with a local system, the local director or office head as the system manager should be indicated.

(3) For geographically separated or organizationally decentralized activities with which individuals may correspond directly when exercising their rights, the position or title of each category of officials responsible for the system or portion thereof should be listed.

(4) Addresses that already are listed in the agency address directory; or simply refer to the directory should not be included.

(l) *Notification procedures.* (1) Notification procedures describe how an individual can determine if a record in the system pertains to him or her.

(2) If the record system has been exempted from the notification requirements of subsection (f)(1) or subsection (e)(4)(G) of the Privacy Act, it should be so stated.

(3) If the system has not been exempted, the notice must provide sufficient information to enable an individual to request notification of whether a record in the system pertains to him or her. Merely referring to the agency's procedural rules is not sufficient.

(4) This section should also include:

(i) The title (not the name) and address of the official (usually the system manager) to whom the request must be directed;

(ii) Any specific information the individual must provide in order for the agency to respond to the request (e.g., name, SSN, date of birth, etc.); and

(iii) Any description of proof of identity for verification purposes required for personal visits by the requester.

(m) *Record access procedures.* (1) This section describes how an individual can review the record and obtain a copy of it.

(2) If the system has been exempted from access and publishing access procedures under subsections (d)(1) and (e)(4)(H), respectively, of the Privacy Act, it should be so indicated.

(3) If the system has not been exempted, describe the procedures an individual must follow in order to review the record and obtain a copy of it, including any requirements for identity verification.

(4) If appropriate, the individual may be referred to the system manager or another agency official who shall provide a detailed description of the access procedures. Any addresses already listed in the address directory should not be repeated.

(n) *Contesting record procedures.* (1) This section describes how an individual may challenge the denial of access or the contents of a record that pertains to him or her.

(2) If the record system has been exempted from allowing amendments to records or publishing amendment procedures under subsections (d)(2) and (e)(4)(H), respectively, of the Privacy Act, it should be so stated.

(3) If the system has not been exempted, the procedures an individual must follow should be described in order to challenge the content of a record pertaining to him or her, or explain how he or she can obtain a copy of the procedures (e.g., by contacting the system manager or another agency official).

(o) *Record source categories.* (1) If the system has been exempted from publishing record source categories under subsection (e)(4)(I) of the Privacy Act, it should be so stated.

(2) If the system has not been exempted, this caption must describe where the agency obtained the information maintained in the system.

(3) Describing the record sources in general terms is sufficient; specific individuals, organizations, or institutions need not be identified.

(p) *Exemptions claimed for the system.* (1) If no exemption has been established for the system, indicate ''None.''

(2) If an exemption has been established, state under which provision of the Privacy Act it is established (e.g., ''Parts of this system of records may be exempt under 5 U.S.C. 552a(k)(2)'').

§317.73 New and altered record systems.

(a) *Criteria for a new record system.* (1) A new system of records is one for which no existing system notice has been published in the FEDERAL REGISTER.

(2) If a notice for a system of records has been canceled or deleted and the agency desires to reinstate or reuse the system, a new system notice must be published in the FEDERAL REGISTER.

(b) *Criteria for an altered record system.* A system is considered altered when any one of the following actions occurs or is proposed:

(1) A significant increase or change in the number or types of individuals about whom records are maintained requires a change to the ''categories of individuals covered by the system'' caption in the system notice and might require changes to the ''purpose(s)'' caption.

(i) For example, a decision to expand a system of records that originally covered personnel assigned to only one location to cover personnel at several locations would constitute an altered system.

(ii) An increase in the number of individuals covered due to normal growth is not an alteration.

(iii) A decrease in the number of individuals covered is not an alteration, but it is an amendment.

(2) A change that expands the types or categories of information maintained requires a change in the ''categories of records in the system'' caption in the system notice.

(i) For example, a personnel file that has been expanded to include medical records would be an alteration.

(ii) Adding to a personnel file a new data element that is clearly within the scope of the categories of records described in the existing notice is not an alteration, but is an amendment.

(3) A change that alters the purpose for which the information is used requires changing the ''purpose(s)'' caption in the system notice. In order to be an alteration, the change must be one that is not reasonably inferred from any of the existing purposes.

(4) A change to equipment configuration (either hardware or software) that creates substantially greater use of records in the system requires changing the ''storage'' caption in the system notice. For example, placing interactive computer terminals at regional offices to use a system formerly used only at the Headquarters would be an alteration.

(5) A change in the manner in which records are organized or in the method by which records are retrieved requires changing the ''Retrievability'' caption in the system notice.

(i) Combining record systems due to a reorganization within the agency would be an alteration.

(ii) Retrieving by SSNs records that previously were retrieved only by names would be an alteration if the present notice failed to indicate retrieval by SSNs.

(c) *Reports of new and altered systems of records.* (1) Under subsection (o) of the Privacy Act, reports of new and altered systems of records must be submitted to Congress and the Office of Management and Budget.

(2) The agency shall submit reports of new or altered systems to the Defense Privacy Office, DA&M, before collecting information for new systems or altering an existing system.

(3) The Defense Privacy Office, DA&M, shall coordinate all reports of new or altered systems with the Office of the Assistant Secretary of Defense (Legislative Affairs) and the Office of the General Counsel, Department of Defense.

(4) The Defense Privacy Office, DA&M, shall prepare, for the approval and signature of the Director, Administration and Management, Office of the Secretary of Defense, transmittal letters to Congress and the Office of Management and Budget.

(d) *Time limits before implementing routine uses.* After publishing a system notice in the FEDERAL REGISTER, 30 days must elapse before routine uses may be employed.

§ 317.74 Amendment and deletion of system notices.

(a) *Criteria for an amended record system.* Minor changes to published system notices are considered amendments rather than alterations. Amendments must also be published in the FEDERAL REGISTER, but a new or altered system report does not have to be accomplished.

(b) *Amending a system notice.* In submitting an amendment to a system notice for publication in the FEDERAL REGISTER, the agency must include:

(1) The system identification and name.

(2) A description of the specific changes proposed; and

(3) The full text of the system notice as amended.

(c) *Deleting a system notice.* (1) When a system of records is discontinued, incorporated into another system, or determined to be no longer subject to this rule, a deletion notice must be published in the FEDERAL REGISTER.

(2) The deletion notice shall include:

(i) The system identification number and name.

(ii) The FEDERAL REGISTER citation of the latest publication of the system.

(iii) The reason for the deletion.

(3) If a system is deleted through combination or merger with another system, identify the successor system in the deletion notice.

(d) *Submitting amendments and deletions for publication.* (1) Amendments and deletions should be submitted through the agency Privacy Advisor to the Defense Privacy Office, DA&M, which will transmit them to the FEDERAL REGISTER for publication.

(2) At least one original in proper format should be included in the submission.

(3) Multiple amendments and deletions, and combinations of amendments and deletions, may be submitted together.

Subpart H—Training Requirements

§ 317.80 Statutory training requirements.

(a) *Establishing rules of conduct.* Under subsection (e)(9) of the Privacy Act, the agency is required to establish rules of conduct for persons involved in the design, development, operation, or maintenance of any system of records, or in maintaining any record.

(b) *Training.* The agency shall train all personnel involved in the functions described in the preceding paragraph. The training shall include instruction in the rules of conduct and all requirements prescribed by the Privacy Act, including the penalties for noncompliance.

§ 317.81 DCAA training programs.

(a) *Personnel to be trained.* (1) To conform with Office of Management and Budget guidance, compliance with the statutory training requirements requires informed and active support of all agency personnel. All personnel who in any way use or operate systems of

records, or who are engaged in the development of procedures for handling records, must be taught the requirements of the Privacy Act and must be trained in the agency's procedures for the implementation of the Privacy Act.

(2) Personnel to be trained include, but are not limited to, those engaged in the following:

(i) Personnel management.

(ii) Personnel finance.

(iii) Medical care.

(iv) Investigations of personnel.

(v) Records management (reports, forms, records, and related functions).

(vi) Computer systems development and operation.

(vii) Communications.

(viii) Statistical data collection and analysis, and

(ix) Performing other functions subject to this rule.

(b) *Types of training.* The agency shall establish the following three levels of training for those persons who are involved with the design, development, operation, or maintenance of any system of records. The training shall be provided to persons before or shortly after assuming the duties associated with the level of involvement.

(1) *Orientation training.* Orientation training that provides a general understanding of the individual's rights under the Privacy Act.

(2) *Specialized training.* Training concerning the application of this part to specialized areas of job performance.

(3) *Management training.* Training concentrated on factors affecting decisions made by managers under the Privacy Program, such as system managers, denial authorities, and managers of the specific functions listed.

(c) *Methods of training.* The agency is responsible for developing training methods that will meet this criteria. Such methods may include formal and informal (on-the-job) programs, if those personnel giving the training have, themselves, been trained.

Subpart I—Computer Matching Program Procedures

§317.90 General.

(a) *Scope.* The Privacy Act and this rule are applicable to certain types of computer matching--the computer comparison of automated systems of records.

(b) *Compliance.* Although the Privacy Act provides for specific procedures, the Act is not in itself authority for carrying out any matching activity. Compliance with this chapter does not relieve the agency of the obligation to comply with any other requirements of the Privacy Act and this part.

(c) *Matching programs covered by the Privacy Act.* There are two specific kinds of matching programs that are fully governed by the Privacy Act and this part. These are:

(1) Matches using records from Federal personnel or payroll systems of records. See also definitions of this part.

(2) Matches involving Federal benefit programs to accomplish one or more of the following purposes:

(i) To determine eligibility for a Federal benefit.

(ii) To comply with benefit program requirements.

(iii) To effect recovery of improper payments or delinquent debts from current or former beneficiaries.

(d) *Automated comparisons.* The record comparison must be a computerized comparison, manual comparisons are not covered, involving records from:

(1) Two or more automated systems of records (i.e., systems of records maintained by Federal agencies that are subject to the Privacy Act); or,

(2) An agency's automated system of records and automated records maintained by a non-Federal agency (i.e., state or local government or agent thereof).

(e) *Features of a matching program.* A covered computer matching program entails not only the actual computerized comparison, but also preparing and executing a written agreement between the participants, securing approval of the Defense Data Integrity Board, publishing a matching notice in the FEDERAL REGISTER before the match begins, ensuring that investigation and due process are completed, and taking ultimate action, if any.

§ 317.91 Federal personnel or payroll record matches.

(a) *Scope.* These computer matching programs include matches comparing records from agency automated Federal personnel or payroll systems of records with such automated like records of another Federal agency; or with a non-Federal agency. It also includes matches between DoD components or within the agency itself (internal matches).

(b) *Computerized comparisons.* The matching must be done using a computer. Manual comparisons are not covered.

(c) *Exclusion.* Matches must be done for other than ''routine administrative purposes.''

(d) *Internal matches.* In some instances, a covered match may take place within the agency or with another DoD component. For example, the agency may wish to determine whether any of its own personnel, participating in a benefit program administered by the Department of Defense, are not complying with the program's eligibility requirements. This internal match will certainly result in an adverse action if ineligibility is discovered. Therefore, it is covered by the requirements of the Privacy Act. The agency should not attempt to avoid the reach of the Act, for example, by improperly combining dissimilar systems into a single system, matching data within that system to make an eligibility determination, and arguing that the match is not covered because only one system of records is involved.

(e) *Categories of record subjects.* The categories of individuals whose records are used in this type of matching program must be carefully analyzed before making a determination whether a proposed match is covered. All information on subjects of record is maintained in the agency's system of records, but matching under the particular programs covered by this subsection is limited to ''Federal personnel.'' For matching purposes, a Federal personnel system of records should not be confused with, or limited to, the commonly recognized personnel system of records maintained by a civilian personnel office or a military assignment branch. The agency may be maintaining within a single system of records several categories of records relating to Federal personnel and other categories on non-Federal personnel, e.g., contractor personnel, applicants, dependents, etc. Some categories may be covered while others may not. Unlike ''Federal personnel,'' the subjects of record of payroll record systems are easily discerned.

(f) *Matching purpose.* The purpose of a Federal personnel or payroll records match must be to take some adverse action, financial, personnel, disciplinary, or other adverse action against Federal personnel.

§ 317.92 Federal benefit matches.

(a) *Categories of subjects covered.* The Privacy Act provisions cover only the following categories of subjects of record for Federal benefit matches.

(1) Applicants for Federal benefit programs (i.e., individuals initially applying for benefits).

(2) Program beneficiaries (i.e., individuals currently receiving or formerly receiving benefits).

(3) Providers of services to support such programs (i.e., those deriving income from them such as health care providers).

(b) *Types of programs covered.* Only Federal benefit programs providing cash or in-kind assistance to individuals are covered by the Privacy Act. State programs are not covered. Programs using records about subjects who are not ''individuals''. See definitions of this part (§ 317.3).

(c) *Matching purpose.* A Federal benefit match must have as its purpose one or more of the following:

(1) Establishing or verifying initial or continuing eligibility for Federal benefit programs.

(2) Verifying compliance with the requirements, either statutory or regulatory, of such programs.

(3) Recouping payments or delinquent debts under such Federal benefit programs.

(d) *Summary of basic requirements.* Four basic elements:

(1) Computerized comparison.

(2) Categories of subjects.

(3) Federal benefit program, and

(4) Matching purpose, must all be present before a matching program is covered under the Privacy Act.

§ 317.93 Matching program exclusions.

The following are not included under the definition of a matching program. The agency is not required to comply with the computer matching provisions of the Privacy Act, although it may be required to comply with any other applicable provisions of the Act and this part.

(a) *Statistical matches whose purpose is solely to produce aggregate data stripped of personal identifiers.* This does not mean that the data bases used in the match must be stripped prior to the match, but only that the results of the match must not contain data identifying any individual. Implicit in this exception is that this kind of match is not done to take action against specific individuals.

(b) *Statistical matches whose purpose is in support of any research or statistical project.* The results of these matches need not be stripped of identifiers, but they must not be used to make decisions that affect the rights, benefits or privileges of specific individuals.

(c) *Pilot matches.* This exclusion covers small scale sampling matches whose purpose is to gather cost-benefit data on which to premise a decision about engaging in a full-fledged matching program. Pilot matches must be retained in a statistical information gathering channel. It is at this point that the component can decide whether to conduct a statistical data gathering match without consequences to the subjects of record or a full-fledged program where results will be used to take specific action against them. To avoid possible misuse of pilot matches and to ensure full compliance with the Privacy Act, these matches must be approved by the Defense Data Integrity Board.

(d) *Law enforcement investigative matches whose purpose is to gather evidence against a named person or persons in an existing investigation.* (1) To be eligible for the exclusion the match must be performed by an activity of a component whose principal function involves enforcement of criminal laws, i.e., an activity that is authorized to exempt certain of its systems of records under subsection (j)(2) of the Privacy Act.

(2) The match must flow from an investigation already underway which focuses on a named person or persons. Subjects identified generically, e.g., ''program beneficiaries,'' are not eligible.

(3) The investigation may be into either criminal or civil law violations.

(4) In the context of this exclusion only, person or persons could include subjects that are other than individuals as defined in the Privacy Act, such as corporations or other business entities. For example, a business entity could be named subject of the investigation and records matched could be those of customers or clients.

(5) The match must be for the purpose of gathering evidence against the named person or persons.

(e) *Tax administration matches.* (1) Matches involving disclosures of taxpayer return information to state or local tax officials pursuant to section 6103(d) of the Internal Revenue Code.

(2) Tax refund offset matches accomplished pursuant to the Deficit Reduction Act of 1984.

(3) Matches done for tax administration pursuant to section 6103(b)(4) of the Internal Revenue Code.

(4) Tax refund offset matches conducted pursuant to other statutes provided approval of the Office of Management and Budget is obtained.

(f) *Routine administrative matches using Federal personnel records.* These are matches between the agency and other Federal agencies or between the agency and non-Federal agencies for administrative purposes that use data bases that contain records predominantly relating to Federal personnel. The term ''predominantly'' means that the percentage of records in the system that are about Federal employees must be greater than of any other category contained therein. For the purpose of disclosing records subject to the Privacy Act, the Department of Defense is considered a single agency.

(1) The purpose of the match must not be intended to result in an adverse action. Matches whose purpose is to take any adverse financial, personnel,

disciplinary or other adverse action against Federal personnel whose records are involved in the match, are not excluded from the Act's coverage.

(2) An example of a match that is excluded is an agency's disclosure of time and attendance information on all agency employees to the Department of the Treasury in order to prepare the agency's payroll.

(3) This exclusion does not bring under the Act's coverage matches that may ultimately result in an adverse action. It only requires that their purpose not be intended to result in an adverse action.

(g) *Internal matches using only records from DoD systems of records.* (1) Internal matches (conducted within the Department of Defense) are excluded on the same basis as Federal personnel record matching provided no adverse intent as to a Federal employee motivates the match.

(2) This exclusionary provision does not disturb subsection (b)(1) of the Act permitting disclosure to DoD employees on an official need-to-know basis.

(3) The purpose of the internal match must not be to take any adverse financial, personnel, disciplinary, or other adverse action against Federal personnel.

(h) *Background investigation and foreign counterintelligence matches.* Matches done in the course of performing a background check for security clearances of Federal personnel or Federal contractor personnel are not covered. Matches done for the purpose of foreign counterintelligence are also not covered.

§ 317.94 Conducting matching programs.

(a) *Source and recipient agencies.* The agency, if undertaking a matching program, should consider if it will be a ''source agency'' or a ''recipient agency'' for the match and be prepared to meet the following requirements:

(1) The recipient agency does the matching. It receives the data from system of records of other Federal agencies or data from state and local governments and actually performs the match by computer.

(2) The recipient agency is responsible for publishing a notice in the FEDERAL REGISTER of the matching program. Where a state or local agency is the recipient, the Federal source agency is responsible for publishing the notice.

(3) A Federal source agency discloses the data from a system of records for the match. A non-Federal agency may also be a source, but the record data will not be from a system of records. The ''system of records'' concept under the Privacy Act does not apply to the recordkeeping practices of state or local governmental agencies.

(4) The recipient Federal agency, or the Federal source agency in a match performed by a non-Federal agency, is responsible for reporting the match. This agency must contact the other participants to gather the information necessary to make a unified report as required by § 317.100.

(5) In some circumstances, a source agency may be the instigator and ultimate beneficiary of the matching program, as when an agency lacking computer resources uses another agency to perform the match; or when as a practical matter, an agency may not wish to release and disclose its data base to another agency as a source because of privacy safeguard considerations.

(b) *Compliance with the system of records and disclosure provisions.* (1) The agency must ensure that it identifies the system(s) of records involved in the matching program and has published the necessary notice(s) in the FEDERAL REGISTER.

(2) The Privacy Act does not itself authorize disclosures from system of records for the purpose of conducting a matching program. The agency must justify any disclosures outside the Department of Defense under subsection (b) of the Act. This means obtaining the written consent of the subjects of record for the disclosure or relying on one of the 12 non-consensual disclosures exceptions to the written consent rule. To rely on the routine use exception (b)(3), the agency must have already established the routine use (published in the FEDERAL REGISTER), or in the alternative, must comply with subsections (e)(4)(d) and (e)(11) of the Act which means amending the record system notice to add an appropriate routine use for the match. An amendment

requires publication in the FEDERAL REGISTER with a 30 day waiting period for public comment.

(3) The routine use permitting disclosure for the match must be compatible with and related to the purpose for which the record was initially compiled.

(4) The routine use for the match in a record system notice shall clearly indicate that it entails a computer matching program with a specific agency for an established purpose and intended objective. For purposes of matching, a routine use must state that a disclosure may be made for a matching program. The agency may not rely on an existing established routine use to meet the requirements of the Act unless it expressly permits disclosure for matching purposes.

(c) *Prior notice to record subjects.* Subjects of record must receive prior notice that their records may be matched. This may be done by direct and/or constructive notice.

(1) Direct notice may be given when there is some form of contact between the government and the subject. Information can be furnished to individuals on the application form when they apply for a benefit, in a notice that arrives with a benefit, or in correspondence they receive in the mail. Use of the advisory Privacy Act Statement is an acceptable manner to provide direct notice to subjects of record at the time of application. The agency shall provide direct notice for front-end eligibility verification matching programs whose purpose is to validate an applicant's initial eligibility for a benefit and later to determine continued eligibility using the Privacy Act Statement on the application form. Providers of services should be given notice (Privacy Act Statement) on the form on which they apply for reimbursement for services provided. Providing notice of matching programs using the Privacy Act Statement shall be part of the normal process of implementing a Federal benefits program. The agency shall insure records contain appropriate revisions.

(2) Constructive notice can only be given by an appropriate routine use disclosure provision of the affected system of records to be used in the match. For purely internal matching program uses, amend the ''Purpose(s)'' element of the record system notice to specifically reflect those internal computer matches performed. The constructive notice method requires publication in the FEDERAL REGISTER. Examples of when constructive notice may be used:

(i) For matching programs whose purpose is to locate individuals in order to recoup payments improperly granted to former beneficiaries, direct notice may well be impossible and constructive notice may have to suffice.

(ii) The agency that discloses records to a state or local government in support of a non-Federal matching program is not obligated to provide direct notice to each subject of record. FEDERAL REGISTER publication in this instance is sufficient.

(iii) Investigative matches where direct notice immediately prior to a match would provide the subject an opportunity to alter behavior.

(3) The agency shall also provide periodic notice whenever an application is renewed, or at the least during the period the match is authorized to take place by providing notice accompanying the benefit as approved by the Defense Data Integrity Board.

(d) *Publication of the matching notice.* (1) The matching agency is required to publish in the FEDERAL REGISTER a notice of any proposed matching program or alteration of an established program at least 30 days prior to conducting the match for any public comment. Only one notice is required. When a non-Federal agency is the matching agency, the source agency shall be responsible for the publication. The proposed matching notice for publication shall be submitted in FEDERAL REGISTER format and included in the agency report. The notice shall contain the customary preamble and contain the required information in sufficient detail describing the match so that the reader will easily understand the nature and purpose of the match, including any adverse consequences.

(2) The preamble to the notice shall be prepared by the Defense Privacy Office, DA&M, and shall contain:

(i) The date the transmittal letters to OMB and Congress are signed.

(ii) A statement that the matching program is subject to review by OMB and Congress and shall not become effective until that review period has elapsed.

(iii) A statement that a copy of the agreement shall be available upon request to the public.

(3) The agency shall provide:

(i) Name of participating agency or agencies.

(ii) Identity of the source agency and the recipient agency, or in the case of an internal DoD matching, the Component(s) involved.

(iii) Purpose of the match being conducted to include a description of the matching program and whether the program is a one-time or a continuing program.

(iv) Legal authority for conducting the matching program. Do not cite the Privacy Act as it provides no independent authority for carrying out any matching activity. If at all possible, use the U.S. Code citations rather than the Public Law as access to the Public Laws is more difficult. Avoid citing housekeeping statutes such as 5 U.S.C. 301, but rather cite the underlying programmatic authority for collecting, maintaining, and using the information even if it results in citing the Code of Federal Regulations or a DoD directive or regulation. Whenever possible, the popular name or subject of the authority should be given, as well as a statute, public law, U.S. Code, or Executive Order number; for example: The Debt Collection Act of 1982 (Pub. L. 97-365) 5 U.S.C. 5514, Installment deduction of indebtedness.

(v) A complete description of the system(s) of records that will be used in the match. Include the system identification, name, and the official FEDERAL REGISTER citation, date published, including any published amendments thereto. Provide a positive statement that the system(s) contains an appropriate routine use provision authorizing the disclosure of the records for the purpose of conducting the computer matching program. (Note: In the case of internal DoD matches, the ''purpose(s)'' element of the system(s) involved.) If non-Federal records are involved, a complete description to include the specific source, address, and category of records to be used, e.g., Human Resources Administration Medicaid File, City of New York, Human Resources Administration, 250 Church Street, New York, NY 10013.

(vi) A complete description of the category of records and individuals covered from the record system(s) to be used, the specific data elements to be matched, and the approximate number of records that will be matched.

(vii) The projected start and ending dates for a one-time match or the inclusive dates for a continuing match.

(viii) The address for receipt of any public comment or inquiries concerning the notice shall indicate: Director, Defense Privacy Office, 400 Army Navy Drive, Room 205, Arlington, VA 22202–2884.

§ 317.95 Providing due process to matching subjects.

(a) *Independent verification and notice.* Subjects of record of matching programs shall be afforded certain due process procedures when a match uncovers any disqualifying or adverse information about them. No recipient agency, non-Federal agency, or source agency shall take any adverse action against an individual until such agency has independently verified such information and the individual has received a notice from the agency containing a statement of its findings and gives the individual the opportunity to contest the findings before making a final determination. The agency shall not take any adverse action based on the raw results of a computer matching program. Adverse information developed by a match must be investigated and verified prior to any action being taken.

(b) *Waiver of independent verification procedures.* Program officials may request the Data Integrity Board waive the independent verification requirement after they have identified the type of matching data eligible for a waiver and conducted a thorough determination of the data's accuracy. The only data eligible for waiver is that which identifies the individual and the amount of benefits paid under a federal benefit program. The data must not be ambiguous. After the Data Integrity Board determines that the

data qualifies for the waiver procedure, the program official must present convincing evidence to the Data Integrity Board of the recipient agency to permit the Board to assert a high degree of confidence in the accuracy of the data. The following elements are examples of evidence which will assist a Board in making such a determination: A description of the databases involved including how the information is acquired and maintained; the system manager's overall assessment of the reliability of the systems and the accuracy of the data they contain; the results of any assessments or audits conducted; any material or significant weaknesses under various statutes; security controls in place; previous security assessments; any historical data relating to program error rates; and any information relating to the currency of the data. If the Board approves the waiver, it will notify the source agency and the program officials.

(c) *Independent investigation.* Conservation of resources dictates that the procedures for affording due process be flexible and suited to the data being verified and the consequences to the individual of making a mistake. If the source agency has established a high degree of confidence in the quality of its data and it can demonstrate that its quality control processes are rigorous, the recipient agency may choose to expend fewer resources in independently verifying the data. Absolute confirmation is not required. The agency should bring some degree of reasonableness to the process of verifying data. Some methods to consider are:

(1) The individual subject of record who is the best source where practical, and

(2) Researching source documents.

(d) *Notice and opportunity to contest.* The agency is required to notify matching subjects of adverse information uncovered during a matching program and give them an opportunity to contest and explain before the agency makes a final determination. Recipients already receiving benefits may not have them suspended or reduced pending expiration of the contest period. Individuals have 30 days to respond to a notice of adverse action, unless a statute or regulation grants a longer period. The period runs from the date of the notice until 30 calendar days. The agency shall allow an additional five days for mailing time before ending the notice period. If an individual contacts the agency within the notice period (35 days) and indicates his or her acceptance of the validity of the adverse information, the agency may take immediate action to deny or terminate. The agency may also take action if the period expires without a response.

(e) *Combining verification and notice requirements.* It may be appropriate to combine the verification and notice requirements into a single step, especially if the subject of record is the best source for verification. In this manner, the adverse finding and notice of the opportunity to contest are compressed into a single action. This method is dependent upon the confidence, reliability and quality of the data. Careful thought should be given as to when to apply this method. It may be applicable in special cases, but should not be considered as a routine process. To ensure that this consideration takes place, it shall be the responsibility of the Defense Data Integrity Board to make a formal determination as to when it is appropriate to compress the verification and notice into a single period.

(f) *Individual status pending due process.* The agency may not make a final determination as to applicants for Federal benefit programs whose eligibility is being verified through a matching program until they have completed the due process steps the Act requires. This does not require placing an applicant on the rolls pending a determination, but only that the agency not make a final determination. However, if a subject is already receiving benefits, the benefits shall not be suspended or reduced until due process steps have been completed. If the specific Federal benefit program involved in the match has its own due process requirements, those requirements may suffice for the purposes of the Privacy Act, provided the Defense Data Integrity Board determines that they are at least as strong as the Privacy Act's provisions.

(g) *Exclusion.* (1) If the agency determines a potentially significant effect

on public health or safety is likely, it may take appropriate action, notwithstanding these due process requirements.

(2) In such cases, the agency shall include the possibility of suspension of due process for this reason in its matching program agreement.

§ 317.96 Matching program agreement.

(a) *Requirements.* The agency should allow sufficient lead time to ensure that a matching agreement between the participants can be negotiated and signed in time to secure the Defense Data Integrity Board decision before the match begins. The agency, if receiving records from or disclosing records to a non-Federal agency for use in a matching program, is responsible for preparing the matching agreement and should solicit relevant data from the non-Federal agency where necessary. Both Federal source and recipient agencies must have the matching agreement approved by their respective Data Integrity Boards. In cases where matching takes place entirely within the Department of Defense, the agency may satisfy the matching agreement requirements by preparing a Memorandum of Understanding (MOU) between the systems of records managers involved. Before the agency may participate in a matching program the Defense Data Integrity Board must have evaluated the proposed match and approved the terms of the matching agreement or MOU.

(b) *Agreements or MOUs must contain the following elements*—(1) *Purpose and legal authority.* Citation of the Federal or state statutory or regulatory authority for undertaking the matching program. Do not cite the Privacy Act.

(2) *Justification and expected results.* A full explanation of why a computer matching program, as opposed to some other form of activity, is being proposed and what the expected results will be, including a specific estimate of any savings.

(3) *Records description.* A full identification of the system of records (FEDERAL REGISTER citations) or non-Federal records, number of subjects of record, and what data elements will be included in the match.

(4) *Dates.* An indication of whether the match is a one-time or continuing program (not to exceed 18 months) and the projected starting and completion dates for the match.

(5) *Prior notice to subjects of record.* A description of the direct and constructive notice procedures afforded the subjects of record. Copies of the published applicable record system notices involved and all applicable forms containing the appropriate Privacy Act Statement being used by the participants of the proposed match should be provided.

(6) *Verification procedures.* A full description of the methods the agency will use to independently verify the information obtained through the matching program.

(7) *Disposition of matched items.* A statement that the information generated as a result of the matching program will be destroyed as soon as it has served the matching program's purpose and any legal retention requirements the agency establishes in conjunction with the National Archives and Records Administration or other cognizant authority.

(8) *Security procedures.* A description of the administrative, technical and physical safeguards to be used in protecting the information. They should be commensurate with the level of sensitivity of the data.

(9) *Records usage, duplication and disclosure restrictions.* A description of any specific restrictions imposed by either the source agency or by statute or regulation on collateral uses of the records used in the matching program. Recipient agencies may not use the records obtained for a matching program under a matching agreement for any other purpose unless there is a specific statutory authority or there is a direct essential connection to the conduct of the matching program. Agreements shall specify how long the recipient agency may keep records provided for a matching program and when they will be returned to the source agency or destroyed.

(10) *Records accuracy assessments.* A description of any information relating to the quality of the records to be used in the matching program such as the error rate percentage of the data entry

for the affected records. The worse the quality of the data, the less likely the matching program will have a cost-beneficial result.

(11) *Disclosure Accounting.* A certification by the agency participating in a matching program as a source agency for disclosures outside the Department of Defense that a disclosure accounting shall be maintained on the subjects of record as required by the Privacy Act.

(12) *Access by the Comptroller General.* A statement that the Comptroller General may have access to all records of a recipient DoD component or non-Federal agency necessary to monitor or verify compliance with the agreement. In this instance, the Comptroller General may inspect state or local government records used in matching programs.

(c) *Non-Federal agencies.* Non-Federal agencies intending to participate in covered matching programs are required to do the following:

(1) Execute matching agreements prepared by a Federal agency or agencies involved in the matching program.

(2) Provide data to Federal agencies on the costs and benefits of matching programs.

(3) Certify that they will not take adverse action against an individual as a result of any information developed in a matching program unless the information has been independently verified and until the applicable number of days after the individual has been notified of the findings and given an opportunity to contest them has elapsed.

(4) For renewals of matching programs, certify that the terms of the agreement have been followed.

(d) *Duration of matching programs.* Matching agreements will remain in force only as long as necessary to fulfill their specific purposes. They will automatically expire 18 months after their approval unless the Defense Data Integrity Board grants an extension of up to one year at least three months prior to the actual expiration date. The program must remain unchanged if an extension is to be granted. Each party to the agreement must certify that the program has been conducted in compliance with the matching agreement. Requests for extensions shall be submitted through channels to the Board.

(e) *Altered matching program.* (1) An altered matching program is one that is already established, but with such a significant change proposed that it requires revision of the matching notice and approval of the Defense Data Integrity Board, OMB and Congress. A significant change is one which does one or more of the following:

(i) Changes the purpose for which the program was established.

(ii) Changes the matching population either by including new categories of subjects of record, or by greatly increasing the numbers of records matched.

(iii) Changes the legal authority under which the match was being conducted.

(iv) Changes the records (data elements) that will be used in the match.

(2) A proposal to alter an established matching program shall be submitted through channels to the Defense Data Integrity Board for review and approval.

(f) *Non compliance sanctions.* (1) The agency shall not disclose any record for use in a matching program as a source agency to any recipient agency (within or outside the Department of Defense) if there is reason to believe that the terms of the matching agreement/MOU or the due process requirements are not being met by the recipient agency. The Defense Privacy Office, DA&M, shall be informed immediately, through channels, should any such incident occur. Normally consulting with the recipient agency should resolve the problem, but the responsibility rests with the source.

(2) No source agency shall renew a matching agreement/MOU unless the recipient agency (within or outside the Department of Defense) has certified that it has complied with the provisions of the agreement/MOU and the agency has no reason to believe otherwise.

(3) A willful disclosure of records from a system of records for any unauthorized computer matching program may subject the responsible officer or employee to criminal penalties. Civil remedies are also available to matching program subjects who can show

they were harmed by an agency's violation of the Act as set forth in subpart J of this part.

§ 317.97 Cost-benefit analysis.

(a) *Purpose.* The requirement for a cost-benefit analysis by the Act is to assist the agency in determining whether or not to conduct or participate in a matching program. Its application is required in two places: As an agency conclusion in the matching agreement containing the justification and specific estimate of savings; and in the Data Integrity Board review process where it is forwarded as part of the matching proposal. The intent of this requirement is not to create a presumption that when agencies balance individual rights and cost savings, the latter should inevitably prevail. Rather, it is to ensure that sound management practices are followed when agencies use records from Privacy Act systems in matching programs. It is not in the government's interest to engage in matching activities that drain agency resources that could be better spent elsewhere. Agencies should use the cost-benefit requirement as an opportunity to re-examine programs and weed out those that produce only marginal results.

(b) *Cost-benefit analysis.* The agency, when proposing matching programs, must provide the Board with all information which is relevant and necessary to allow the Board to make an informed decision including a cost-benefit analysis. The Defense Data Integrity Board shall not approve any matching agreement unless the Board finds the cost-benefit analysis demonstrates the program is likely to be cost effective.

(1) The Board may waive the cost-benefit analysis requirement if it determines in writing that submission of such an analysis is not required.

(2) If a matching program is required by a specific statute, then a cost-benefit analysis is not required. However, any renegotiation of such a matching agreement shall be accompanied by a cost-benefit analysis. The finding need not be favorable. The intent, in this case, is to provide Congress with information to help it evaluate the effectiveness of statutory matching requirements.

(3) The Board must find that agreements conform to the provisions of the Act and appropriate guidelines, regulations, and statutes.

§ 317.98 Appeals of denials of matching agreements.

(a) *Disapproval by the Board.* If the Defense Data Integrity Board disapproves a matching agreement, a party to the agreement may appeal the disapproval to the Director of the Office of Management and Budget, Washington, DC 20503. Appeals must be made within 30 days after the Defense Data Integrity Board's written disapproval. The appealing party shall submit with its appeal the following:

(1) Copies of all documentation accompanying the initial matching agreement proposal.

(2) A copy of the Defense Data Integrity Board's disapproval and reasons.

(3) Evidence supporting the cost-benefit effectiveness of the match.

(4) Any other relevant information, e.g., timing considerations, public interest served by the match, etc.

(b) *OMB approval.* If the Director of the Office of Management and Budget approves a matching program it will not become effective until 30 days after the Director reports his decision to Congress.

(c) *Recourse by the Inspector General.* If the Defense Data Integrity Board and the Director of the Office of Management and Budget both disapprove a matching program proposed by the Inspector General of the denial agency, the Inspector General may report that disapproval to the head of Department of Defense and to the Congress.

§ 317.99 Proposals for matching programs.

(a) *Who initiates the action.* The recipient DoD component (or the DoD component source agency in a match conducted by a non-Federal agency); or the recipient activity within the DoD component for internal matches, is responsible for reporting the match for

Board approval. The responsible official should contact the other participants to gather the information necessary to make a unified report.

(b) *New or altered matching programs.* Determine if the match is a new program or an existing one. A new match is one for which no public notice has been published in the FEDERAL REGISTER. An altered matching program is an established (published public notice) match with such a significant change that it requires amendment. An altered matching program should not be confused with a request for an unchanged extension of an established program.

(c) *Contents of report (original and one copy).* (1) A proposed new matching program report shall consist of an agency letter of transmittal with the following attached documents:

(i) Completed agreement between the participants.

(ii) Benefit/cost analysis.

(iii) Proposed FEDERAL REGISTER matching notice for public review and comment.

(iv) Copies of all the appropriate forms (e.g., applications) of the participating parties providing direct notice to the individual or any other means of communication used.

(v) Copy or copies of the appropriate FEDERAL REGISTER system(s) of record notice(s) containing an appropriate routine use providing constructive notice to the individual.

(2) A report on a proposed alteration to an established matching program shall consist of an agency letter of transmittal with the following attached documents:

(i) A report containing the significant change(s) and the following additional information:

(A) What alternatives to matching the agencies considered and why a matching program was chosen.

(B) The date the match was approved by each participating Federal agency's Data Integrity Board.

(C) Whether a cost-benefit analysis was required and, if so, whether it projected a favorable ratio.

(ii) Proposed FEDERAL REGISTER matching notice for public review and comment.

(3) A report requesting an extension beyond 18 months of an established unchanged matching program must be received by the Defense Privacy Office, DA&M, at least four months prior to the actual expiration date and consist of an agency letter of transmittal with the following attached:

(i) Justification for the extension (not to exceed one year).

(ii) Certification by the participants that the program has been conducted in compliance with the matching agreement.

(d) *Who receives the reports.* All reports shall be submitted to, and reviewed by, the agency Privacy Advisor and forwarded to the Defense Privacy Office, DA&M, for consideration by the Defense Data Integrity Board.

(e) *Action by the Defense Privacy Office.* The Defense Privacy Office, DA&M, shall present proposals before the Defense Data Integrity Board which shall either approve or disapprove proposals on their merits. Any inaction based on insufficient data, justification, or supporting documentation shall be returned for any further corrective action deemed necessary. Any disapproved proposals are returned with the stated reasons. Board approved proposals are coordinated with the Office of the Assistant Secretary of Defense (Legislative Affairs) and the Office of the General Counsel, Department of Defense. The Defense Privacy Office prepares for the signature of the Chairman of the Board (Director of Administration and Management (DA&M)), transmittal letters sent to Congress and OMB and concurrently submits the proposed FEDERAL REGISTER matching notice for publication.

(f) *Time restrictions on the initiation of new or altered matching programs.* (1) All time periods begin from the date the Chairman of the Board signs the transmittal letters.

(2) At least 30 days must elapse before the matching program may become operational.

(3) The 30 day period for OMB and Congressional review and the 30 day notice and comment period for the Matching Notice may run concurrently.

(g) *Requests for waivers.* The agency may seek waivers of certain matching program requirements including the 30

day review period by OMB and Congress. Requests for waivers shall be included in the letter of transmittal to the report. Such requests shall cite the specific provision for which a waiver is being requested with full justification showing the reasons and the adverse consequences if a waiver is not granted.

(h) *Outside review and activity.* The agency may presume OMB and Congressional concurrence if the review period has run without comment from any reviewer outside the Department of Defense. Under no circumstances shall the matching program be implemented before 30 days have elapsed after publication of the matching notice in the FEDERAL REGISTER. This period cannot be waived.

Subpart J—Enforcement Actions

§ 317.110 Administrative remedies.

An individual who alleges he or she has been affected adversely by a violation of the Privacy Act shall be permitted to seek relief from the Assistant Director, Resources, through proper administrative channels.

§ 317.111 Civil court actions.

After exhausting all administrative remedies, an individual may file suit (5 U.S.C 552a(y)) in the Federal court against the agency for any of the following acts:

(a) *Denial of an amendment request.* The Assistant Director, Resources, or designee refuses the individual's request for review of the initial denial of an amendment or, after review, refuses to amend the record.

(b) *Denial of access.* The agency refuses to allow the individual to review the record or denies his or her request for a copy of the record.

(c) *Failure to meet recordkeeping standards.* The agency fails to maintain the individual's record with the accuracy, relevance, timeliness, and completeness necessary to assure fairness in any determination about the individual's rights, benefits, or privileges and, in fact, makes an adverse determination based on the record.

(d) *Failure to comply with the Privacy Act.* The agency fails to comply with any other provision of the Privacy Act or any rule or regulation promulgated under the Privacy Act and thereby causes the individual to be adversely affected.

§ 317.112 Criminal penalties.

The Privacy Act (5 U.S.C. 552a(i)) authorizes three criminal penalties against individuals. All three are misdemeanors punishable by fines of $5,000.

(a) *Wrongful disclosure.* Any member or employee of the agency who, by virtue of his or her employment or position, has possession of or access to records and willfully makes a disclosure to anyone not entitled to receive the information.

(b) *Maintaining unauthorized records.* Any member or employee of the agency who willfully maintains a system of records for which a notice has not been published.

(c) *Wrongful requesting or obtaining records.* Any person who knowingly and willfully requests or obtains a record concerning an individual from the agency under false pretenses.

§ 317.113 Litigation status report.

Whenever a civil complaint citing the Privacy Act is filed against the agency in Federal court or whenever criminal charges are brought against an individual in Federal court (including referral to a court-martial) for any offense, the agency shall notify the Defense Privacy Office, DA&M. The litigation status report included in appendix C to this part provides a format for this notification. An initial litigation status report shall be forwarded providing, as a minimum, the information specified. An updated litigation status report shall be sent at each stage of litigation. When the court renders a formal disposition of the case, copies of the court's action, along with the litigation status report reporting the action, shall be sent to the Defense Privacy Office, DA&M.

§ 317.114 Annual review of enforcement actions.

(a) *Annual review.* The agency shall review annually the actions of its personnel that have resulted in either the agency being found civilly liable or an agency member being found criminally liable under the Privacy Act.

(b) *Reporting results.* The agency shall be prepared to report the results of the annual review to the Defense Privacy Office, DA&M.

Subpart K—Reports

§ 317.120 Report requirements.

(a) *Statutory requirements.* Subsection (p) of the Privacy Act requires a report and assigns to the Office of Management and Budget the responsibility for compiling the report.

(b) *OMB requirements.* (1) In addition to the report, the Office of Management and Budget requires that all agencies be prepared to report the results of the reviews.

(2) All reports of the agency concerning implementation of the Privacy Act shall be submitted to the Defense Privacy Office, DA&M, which shall prescribe the contents and suspense for such reports.

§ 317.121 Reports.

(a) *Submission to the Defense Privacy Office.* The agency shall prepare statistics and other documentation for the preceding calendar year concerning those items prescribed for the annual report and any reports of the reviews required, and when directed, send them to the Defense Privacy Office, DA&M.

(b) *Report Control Symbol.* Unless otherwise directed, any report concerning implementation of the Privacy Program shall be assigned Report Control Symbol DD-DA&M(A)1379.

(c) *Content of annual report.* The Defense Privacy Office, DA&M, shall prescribe the content of the annual report but, at a minimum, the annual report shall contain the following:

(1) Name and address of reporting agency.

(2) Name and telephone number of agency official who can best answer questions about this report.

(3) Agency Privacy Act Officials.

(i) Senior Agency Official.

(ii) Privacy Act Officer.

(4) If your agency was involved in any litigation involving the Privacy Act.

(i) Provide a citation to the case and a brief description of the background, issues and results.

(ii) If the cases required your agency to change its practices, describe how.

(5) Systems of Records Inventory:

(i) Total number of systems of records as of December 31, 19XX.

(ii) Number of exempt systems.

(iii) Number of automated systems (either in whole or part).

(iv) Number of systems deleted.

(v) Number of systems added.

(vi) Number of routine uses added.

(vii) Number of routine uses deleted.

(viii) Number of existing systems to which an exemption(s) was added, and

(ix) Number of new systems to which an exemption(s) was added.

(6) If your agency received any public comments on any of its systems of other Privacy Act implementing activities, briefly describe:

(7) Access requests (first party requests which cited the Privacy Act):

(i) Number of requests.

(ii) Number granted in whole or in part.

(iii) Number denied in whole.

(iv) Number for which no record was found.

(8) Amendment requests (first party requests which cited the Privacy Act):

(i) Number of requests.

(ii) Number granted in whole or part.

(iii) Number denied in whole.

(9) Appeals of denial:

(i) Number of access denials appealed.

(ii) Number in which denial was upheld.

(iii) Number of amendment denials appealed.

(iv) Number in which denial was upheld.

(10) Suggestions:

Subpart L—Agency Exemption Rules

§ 317.130 Establishing and using exemptions.

(a) *Types of exemptions.* (1) There are two types of exemptions permitted by the Privacy Act:

(i) General exemptions that authorize the exemption of a system of records from all but specifically identified provisions of the Privacy Act, and

(ii) Specific exemptions that allow a system of records to be exempted from only a few designated provisions of the Privacy Act.

(2) Neither the Privacy Act nor this part permits exemption of a system of records from all provisions of the Privacy Act.

(b) *Establishing exemptions.* (1) Neither general nor specific exemptions are established automatically for a system of records. Only the Director of DCAA or his/her designee shall make a determination that the system is one for which an exemption may be established and then propose and establish an exemption rule for the system. No system of records within the agency shall be considered exempted until the Assistant Director, Resources, DCAA has approved the exemption and an exemption rule has been published as a final rule in the FEDERAL REGISTER for this part.

(2) Only the Assistant Director, Resources, or his or her designee, may establish an exemption for a system of records.

(3) No exemption may be established for a system of records until the system itself has been established by publishing a notice in the FEDERAL REGISTER describing the system.

(4) A system of records is exempt from only those provisions of the Privacy Act that are identified specifically in the agency exemption rule for the system.

(c) *Provisions to which exemptions may be applied.* After, or along with, establishing the system of records, the Assistant Director, Resources, may establish an exemption rule that shall exempt the system of records from any provision of the Privacy Act for which an exemption is allowed.

(d) *Using exemptions.* (1) Exemptions should be used only for the specific purposes stated in the exemption rules and only when in the best interest of the Government. Exemptions should be applied to only the specific portions of the records that require protection.

(2) An exemption should not be used to deny an individual access to information that he or she can obtain under the FOIA.

(e) *Exempt records maintained in non-exempt systems.* (1) An exemption rule applies to the system of records for which it was established. If a record from an exempted system is incorporated intentionally into a system that has not been exempted, the published notice and rules for the non-exempted system will apply to the record and it will not be exempt from any provisions of the Privacy Act.

(2) A record from one DoD component's exempted system that is temporarily in the possession of another DoD component remains subject to the published system notice and rules of the originating DoD component. However, if the non-originating DoD component incorporates the record into its own system of records, the published notice and rules for the system into which it is incorporated shall apply. If that system of records has not been exempted, the record shall not be exempt from any provisions of the Privacy Act.

(3) Care should be exercised that exempt records are not accidentally misfiled into a system of records that are not exempted

§ 317.131 General exemptions.

(a) *Using general exemptions.* (1) DCAA is not authorized to establish the exemption for records maintained by the Central Intelligence agency under subsection (j)(1) of the Privacy Act.

(2) The general exemption provided by subsection (j)(2) of the Privacy Act may be established to protect criminal law enforcement records maintained by the agency.

(3) To be eligible for the (j)(2) exemption, the system of records must be maintained by an element that performs, as one of its principal functions, the enforcement of criminal laws.

(4) Criminal law enforcement includes police efforts to detect, prevent,

control, or reduce crime, or to apprehend criminals, and the activities of prosecution, court, correctional, probation, pardon, or parole authorities.

(5) Information that may be protected under the (j)(2) exemption includes:

(i) Information compiled for the purpose of identifying criminal offenders and alleged criminal offenders consisting of only identifying data and notations of arrests; the nature and disposition of criminal charges; and sentencing, confinement, release, parole, and probation status.

(ii) Information compiled for the purpose of a criminal investigation, including reports of informants and investigators, and associated with an identifiable individual; and

(iii) Reports identifiable to an individual, compiled at any stage of the enforcement process, from arrest, apprehension, indictment, or preferral of charges through final release from the supervision that resulted from the commission of a crime.

(6) The (j)(2) exemption does not apply to:

(i) Investigative records maintained by an element having no criminal law enforcement activity as one of its principal functions, or

(ii) Investigative records compiled by any element concerning individuals' suitability, eligibility, or qualification for duty, employment, or access to classified information, regardless of the principal functions of the DoD component that compiled them.

(7) The (j)(2) exemption established for a system of records maintained by a criminal law enforcement element cannot protect law enforcement records incorporated into a non-exempted system of records or any system of records maintained by an element not principally tasked with enforcing criminal laws. Agency system managers are prohibited to incorporate criminal law enforcement records into systems other than those maintained by criminal law enforcement elements.

(b) *Access to records under a (j)(2) exemption.* Requests for access to criminal law enforcement records maintained in a system for which a (j)(2) exemption has been established shall be processed as if also made under the FOIA.

§ 317.132 Specific exemptions.

(a) *Using specific exemptions.* Specific exemptions permit certain categories of records to be exempted from specific provisions of the Privacy Act. Subsections (k)(1–7) of the Privacy Act permits claiming exemptions for seven categories of records. To be eligible for a specific exemption, the record must meet the corresponding criteria.

(1) (k)(1) exemption: Information properly classified under DoD 5200.1–R [11] (32 CFR part 159) in the interest of national defense or foreign policy.

(2) (k)(2) exemption: Investigatory information compiled for law enforcement purposes. If maintaining the information causes an individual to be ineligible for or denied any right, benefit, or privilege that he or she would otherwise be eligible for or entitled to under Federal law, then he or she shall be given access to the information, except for the information that would identify a confidential source. The (k)(2) exemption, when established, allows limited protection of investigative records normally maintained in a (j)(2) exempt system for use in personnel and administrative actions.

(3) (k)(3) exemption: Records maintained in connection with providing protective services to the President of the United States and other individuals under 18 U.S.C. 3056.

(4) (k)(4) exemption: Records required by Federal law to be maintained and used solely as statistical records that are not used to make any determination about an identifiable individual, except as provided by 13 U.S.C. 8.

(5) (k)(5) exemption: Investigatory material compiled solely for the purpose of determining suitability, eligibility, or qualifications for Federal civilian employment, military service, Federal contracts, or access to classified information, but only to the extent such material would reveal the identity of a confidential source. This exemption allows protection of confidential sources in background investigations, employment inquiries, and similar inquiries used in personnel

[11] See footnote 3 to § 317.1(b).

screening to determine suitability, eligibility, or qualifications.

(6) (k)(6) exemption: Testing or examination material used solely to determine individual qualifications for appointment or promotion in the Federal or military service if the disclosure would compromise the objectivity or fairness of the testing or examination process.

(7) (k)(7) exemption: Evaluation material used to determine potential for promotion in the military services, but only to the extent that disclosure would reveal the identity of a confidential source.

(b) *Confidential source.* (1) A ''confidential source'' is defined under the Privacy Act as a person or organization that has furnished information to the Federal Government under an express promise or, before September 27, 1975, under an implied promise that the identity of the person or organization would be held in confidence.

(2) Promises of confidentiality are to be given on a limited basis and only when essential to obtain the information sought. Appropriate procedures should be established for granting confidentiality and designate those categories of individuals authorized to make such promises.

(c) *Access to records under specific exemptions.* Requests for access to records maintained in systems of records for which specific exemptions have been established shall be processed as if also made under the FOIA.

§ 317.133 DCAA exempt record systems.

(a) *Exempt systems of records.* The Director, DCAA has made a determination and claims an exemption for the following agency systems of records by publication of an appropriate exemption rule for the record system and therefore allowing the agency to invoke, at its discretion, the particular exemption permitted by the Privacy Act from certain subsections of the Privacy Act.

(b) *Classified material.* The Director, DCAA has made a determination that all systems of records maintained by the agency shall be exempt from 5 U.S.C. 552a(d) of the Privacy Act pursuant to 5 U.S.C. 552a(k)(1) to the extent that the record system contains any information properly classified under Executive Order 12958 and required by the executive order to be withheld in the interest of national defense or foreign policy. This blanket exemption, which may be applicable to parts of all systems of records, is necessary because certain record systems not otherwise specifically designated for exemptions herein may contain items of information that have been properly classified.

(c) *General exemption rules.* [Reserved]

(d) *Specific exemption rules.* [Reserved]

[57 FR 48992, Oct. 29, 1992, as amended at 61 FR 2916, Jan. 30, 1996]

APPENDIX A TO PART 317—DCAA BLANKET ROUTINE USES

A. LAW ENFORCEMENT ROUTINE USE

In the event that a system of records maintained by this agency to carry out its functions indicates a violation or potential violation of law, whether civil, criminal, or regulatory in nature, and whether arising by general statute or by regulation, rule, or order issued pursuant thereto, the relevant records in the system of records may be referred, as a routine use, to the appropriate agency, whether Federal, State, local, or foreign, charged with the responsibility of investigating or prosecuting such violation or charged with enforcing or implementing the statute, rule, regulation, or order issued pursuant thereto.

B. DISCLOSURE WHEN REQUESTING INFORMATION ROUTINE USE

A record from a system of records maintained by this agency may be disclosed as a routine use to a Federal, State, or local agency maintaining civil, criminal, or other relevant enforcement information, or other pertinent information, such as current licenses, if necessary to obtain information relevant to a agency decision concerning the hiring or retention of an employee, the issuance of a security clearance, the letting of a contract, or the issuance of a license, grant, or other benefit.

C. DISCLOSURE OF REQUESTED INFORMATION ROUTINE USE

A record from a system of records maintained by this agency may be disclosed to a Federal Agency, in response to its request, in connection with the hiring or retention of an employee, the issuance of a security clearance, the reporting of an investigation of an employee, the letting of a contract, or the issuance of a license, grant, or other benefit

by the requesting agency, to the extent that the information is relevant and necessary to the requesting agency's decision on the matter.

D. CONGRESSIONAL INQUIRIES ROUTINE USE

Disclosure from a system of records maintained by this agency may be made to a congressional office from the record of an individual in response to an inquiry from the congressional office made at the request of that individual.

E. PRIVATE RELIEF LEGISLATION ROUTINE USE

Relevant information contained in all systems of records of the agency published on or before August 22, 1975, may be disclosed to the Office of Management and Budget in connection with the review of private relief legislation as set forth in OMB Circular A-19 at any stage of the legislative coordination and clearance process as set forth in that circular.

F. DISCLOSURES REQUIRED BY INTERNATIONAL AGREEMENTS ROUTINE USE

A record from a system of records maintained by this agency may be disclosed to foreign law enforcement, security, investigatory, or administrative authorities in order to comply with requirements imposed by, or to claim rights conferred in, international agreements and arrangements, including those regulating the stationing and status in foreign countries of Department of Defense military and civilian personnel.

G. DISCLOSURE TO STATE AND LOCAL TAXING AUTHORITIES ROUTINE USE

Any information normally contained in IRS Form W-2 that is maintained in a record from a system of records maintained by this agency may be disclosed to State and local taxing authorities with which the Secretary of the Treasury has entered into agreements pursuant to Title 5 U.S.C. Sections 5516, 5517, 5520, and only to those State and local taxing authorities for which an employee or military member is or was subject to tax, regardless of whether tax is or was withheld. This routine use is in accordance with Treasury Fiscal Requirements Manual Bulletin No. 76–07.

H. DISCLOSURE TO THE OFFICE OF PERSONNEL MANAGEMENT ROUTINE USE

A record from a system of records subject to the Privacy Act and maintained by this agency may be disclosed to the Office of Personnel Management concerning information on pay and leave, benefits, retirement reductions, and any other information necessary for the Office of Personnel Management to carry out its legally authorized Government-wide personnel management functions and studies.

I. DISCLOSURE TO THE DEPARTMENT OF JUSTICE FOR LITIGATION ROUTINE USE

A record from a system of records maintained by this agency may be disclosed as a routine use to any component of the Department of Justice for the purpose of representing the agency, or any officer, employee or member of the agency in pending or potential litigation to which the record is pertinent.

J. DISCLOSURE TO MILITARY BANKING FACILITIES OVERSEAS ROUTINE USE

Information as to current military addresses and assignments may be provided to military banking facilities that provide banking services overseas and that are reimbursed by the Government for certain checking and loan losses. For personnel separated, discharged, or retired from the Armed Forces, information as to last known residential or home of record address to the military banking facility upon certification by a banking facility officer that the facility has a returned or dishonored check negotiated by the individual or the individual has defaulted on a loan and that if restitution is not made by the individual, the U.S. Government will be liable for the losses the facility may incur.

K. DISCLOSURE OF INFORMATION TO THE GENERAL SERVICES ADMINISTRATION ROUTINE USE

A record from a system of records maintained by this agency may be disclosed as a routine use to the General Services Administration for the purpose of records management inspections conducted under authority of 44 U.S.C. Sections 2904 and 2906.

L. DISCLOSURE OF INFORMATION TO THE NATIONAL ARCHIVES AND RECORDS ADMINISTRATION ROUTINE USE

A record from a system of records maintained by this agency may be disclosed as a routine use to the National Archives and Records Administration for the purpose of records management inspections conducted under authority of 44 U.S.C. Sections 2904 and 2906.

M. DISCLOSURE TO THE MERIT SYSTEMS PROTECTION BOARD ROUTINE USE

A record from a system of records maintained by this agency may be disclosed as a routine use to the Merit Systems Protection Board, including the Office of the Special Counsel, for the purpose of litigation, including administrative proceedings, appeals, special studies of the civil service and other merit systems, review of OPM or agency

rules and regulations, investigation of alleged or possible prohibited personnel practices, including administrative proceedings involving any individual subject of a DoD investigation, and such other functions promulgated in 5 U.S.C. Section 1205 or as may be authorized by law.

N. COUNTERINTELLIGENCE PURPOSES ROUTINE USE

A record from a system of records maintained by this agency may be disclosed as a routine use outside the Department of Defense for the purpose of counterintelligence activities authorized by U.S. law or executive order or for the purpose of enforcing laws that protect the national security of the United States.

APPENDIX B TO PART 317—PROVISIONS OF THE PRIVACY ACT FROM WHICH A GENERAL OR SPECIFIC EXEMPTION MAY BE CLAIMED

Exemption		Section of the Privacy Act
(j)(2)	(k)(1–7)	
No	No	(b)(1) Disclosure within the Department of Defense
No	No	(b)(2) Disclosure to the public
No	No	(b)(3) Disclosure for a routine use
No	No	(b)(4) Disclosure to Bureau of Census
No	No	(b)(5) Disclosure for statistical research and reporting
No	No	(b)(6) Disclosure to National Archives
No	No	(b)(7) Disclosure for law enforcement purposes
No	No	(b)(8) Disclosure under emergency circumstances
No	No	(b)(9) Disclosure to Congress
No	No	(b)(10) Disclosure to General Accounting Office
No	No	(b)(11) Disclosure pursuant to court orders
No	No	(b)(12) Disclosure to consumer reporting agency
No	No	(c)(1) Making disclosure accountings
No	No	(c)(2) Retaining disclosure accountings
Yes	Yes	(c)(3) Making disclosure accounting available to the individual
Yes	No	(c)(4) Informing prior recipients of corrections
Yes	Yes	(d)(1) Individual access to records
Yes	Yes	(d)(2) Amending records
Yes	Yes	(d)(3) Review of the Component's refusal to amend a record
Yes	Yes	(d)(4) Disclosure of disputed information
Yes	Yes	(d)(5) Access to information compiled in anticipation of civil action
Yes	Yes	(e)(1) Restrictions on collecting information
Yes	No	(e)(2) Collecting directly from the individual
Yes	No	(e)(3) Informing individuals from whom information is requested
No	No	(e)(4)(A) Describing the name and location of the system
No	No	(e)(4)(B) Describe categories of individuals
No	No	(e)(4)(C) Describing categories of records
No	No	(e)(4)(D) Describing routine uses
No	No	(e)(4)(E) Describing records management policies and practices
No	No	(e)(4)(F) Identifying responsible officials
Yes	Yes	(e)(4)(G) Procedures for determining if a system contains a record on an individual
Yes	Yes	(e)(4)(H) Procedures for gaining access
Yes	Yes	(e)(4)(I) Describing categories of information sources
Yes	No	(e)(5) Standards of accuracy
No	No	(e)(6) Validating records before disclosure
No	No	(e)(7) Records of First Amendment activities
Yes	No	(e)(8) Notification of disclosures under compulsory legal process
No	No	(e)(9) Rules of conduct
No	No	(e)(10) Administrative, technical and physical safeguards
No	No	(e)(11) Notice of new and revised routine uses
Yes	Yes	(f)(1) Rules for determining if an individual is subject of a record
Yes	Yes	(f)(2) Rules for handling access requests
Yes	Yes	(f)(3) Rules for granting access
Yes	Yes	(f)(4) Rules for amending records
Yes	Yes	(f)(5) Rules regarding fees
Yes	No	(g)(1) Basis for civil action
Yes	No	(g)(2) Basis for judicial review and remedies for refusal to amend
Yes	No	(g)(3) Basis for judicial review and remedies for denial of access
Yes	No	(g)(4) Basis for judicial review and remedies for other failure to comply
Yes	No	(g)(5) Jurisdiction and time limits
Yes	No	(h) Rights legal guardians
No	No	(i)(1) Criminal penalties for unauthorized disclosure
No	No	(i)(2) Criminal penalties for failure to publish
No	No	(i)(3) Criminal penalties for obtaining records under false pretenses
Yes	No	(j) Rulemaking requirement
N/A	No	(j)(1) Federal exemption for the Central Intelligence Agency
N/A	No	(j)(2) General exemption for criminal law enforcement records
Yes	N/A	(k)(1) Exemption for classified material
N/A	N/A	(k)(2) Exemption for law enforcement material
Yes	Yes	(k)(3) Exemption for records pertaining to Presidential protection
Yes	N/A	(k)(4) Exemption for statistical record
Yes	N/A	(k)(5) Exemption for investigatory material compiled for determining suitability for employment or service
Yes	N/A	(k)(6) Exemption for testing or examination material
Yes	N/A	(k)(7) Exemption for promotion evaluation materials used by the Armed Forces

Exemption		Section of the Privacy Act
(j)(2)	(k)(1–7)	
Yes	No	(l)(1) Records stored in NARA records centers
Yes	No	(l)(2) Records archived before September 27, 1975
Yes	No	(l)(3) Records archived on or after September 27, 1975
Yes	No	(m) Applicability to government contractors
Yes	No	(n) Mailing lists
Yes	No	(o) Reports on new systems
Yes	No	(p) Biennial report (Note: Department of Defense requires an annual report)

[57 FR 48992, Oct. 29, 1992, as amended at 62 FR 26390, May 14, 1997]

APPENDIX C TO PART 317—LITIGATION STATUS REPORT

(a) Case Name and number:
(b) Plaintiff(s):
(c) Defendant(s):
(d) Basis for Court Action:
(e) Initial Litigation:
(1) Date Complaint or Charges Filed:
(2) Court:
(3) Court Action:
(6) Appeal (if any):
(1) Date Appeal Filed:
(2) Court:
(3) Case Number:
(4) Court Ruling:
(g) Remarks:

PART 318—DEFENSE SPECIAL WEAPONS AGENCY PRIVACY PROGRAM

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AUTHORITY: Pub. L. 93–579, 88 Stat. 1896 (5 U.S.C. 552a).

SOURCE: 61 FR 63713, Dec. 2, 1996, unless otherwise noted.

§318.1 Purpose and scope.

(a) This rule implements the provisions of the Privacy Act of 1974, as amended, and adopts the policies and procedures as set forth by the Department of Defense Privacy Program, 32 CFR part 310.

(b) This rule establishes procedures whereby individuals can:

(1) Request notification of whether Defense Special Weapons Agency (DSWA) maintains or has disclosed a record pertaining to them in any nonexempt system of records;

(2) Request a copy or other access to such a record or to an accounting of its disclosure;

(3) Request that the record be amended; and

(4) Appeal any initial adverse determination of any such request.

(c) Specifies those system of records which the Director, Headquarters, Defense Special Weapons Agency has determined to be exempt from the procedures established by this rule and by certain provisions of the Privacy Act.

(d) DSWA policy encompasses the safeguarding of individual privacy from any misuse of DSWA records and the provides the fullest access practicable by individuals to DSWA records concerning them.

§318.2 Applicability.

The provisions of this rule apply to Headquarters, Defense Special Weapons Agency (HQ DSWA), and Field Command, Defense Special Weapons Agency (FC DSWA).

§318.3 Designations and responsibilities.

(a) The General Counsel, Headquarters, Defense Special Weapons Agency, is designated as the Agency Privacy Act Officer.

(1) The Privacy Act Officer is the principal point of contact for privacy matters and is the Agency Initial Denial Authority.

(2) The Privacy Act Officer is responsible for monitoring and ensuring

Agency compliance with the DoD Privacy Program in accordance with 32 CFR part 310.

(b) The Director, DSWA, is the Agency Appellate Authority.

(c) The Director, DSWA is responsible for implementing the Agency Privacy Act Program in accordance with the specific requirements of 32 CFR part 310.

(d) Agency component and element responsibilities are set forth in DSWA Instruction 5400.11B,[1] January 12, 1995.

§ 318.4 Procedures for requests pertaining to individual records in a record system.

(a) An individual seeking notification of whether a system of records, maintained by the Defense Special Weapons Agency, contains a record pertaining to himself/herself and who desires to review, have copies made of such records, or to be provided an accounting of disclosures from such records, shall submit his or her request in writing. Requesters are encourage to review the systems of records notices published by the Agency so as to specifically identify the particular record system(s) of interest to be accessed.

(b) In addition to meeting the requirements set forth in section 318.4 of this part, the individual seeking notification, review or copies, and an accounting of disclosures will provide in writing his or her full name, address, Social Security Number, and a telephone number where the requester can be contacted should questions arise concerning the request. This information will be used only for the purpose of identifying relevant records in response to an individual's inquiry. It is further recommended that individuals indicate any present or past relationship or affiliations, if any, with the Agency and the appropriate dates in order to facilitate a more thorough search. A notarized statement or an unsworn declaration in accordance with 28 U.S.C. 1746 may also be required.

(c) An individual who wishes to be accompanied by another individual when reviewing his or her records, must provide the Agency with written consent authorizing the Agency to disclose or discuss such records in the presence of the accompanying individual.

(d) Individuals should mail their written request to the Office of General Counsel, Defense Special Weapons Agency, 6801 Telegraph Road, Alexandria, VA 22310–3398 or to the office designated in the system notice and indicate clearly on the outer envelope 'Privacy Act Request'.

§ 318.5 Disclosure of requested information to individuals.

(a) The Defense Special Weapons Agency, upon receiving a request for notification of the existence of a record or for access to a record, shall acknowledge receipt of the request within 10 working days.

(b) Determine whether or not such record exists.

(c) Determine whether or not such request for access is available under the Privacy Act.

(d) Notify requester of determinations within 30 working days after receipt of such request.

(e) Provide access to information pertaining to that person which has been determined to be available within 30 working days.

(f) Notify the individual if fees will be assessed for reproducing copies of the records. Fee schedule and rules for assessing fees are contained in section 318.11 of this part.

§ 318.6 Request for correction or amendment to a record.

(a) An individual may request that the Defense Special Weapons Agency correct, amend, or expunge any record, or portions thereof, pertaining to the requester that he/she believe to be inaccurate, irrelevant, untimely, or incomplete.

(b) Such requests shall specify the particular portions of the records in question, be in writing and should be mailed to the Office of General Counsel, Defense Special Weapons Agency, 6801 Telegraph Road, Alexandria, VA 22310–3398.

(c) The requester shall provide sufficient information to identify the

[1] Copies may be obtained from Office of General Counsel, Headquarters, Defense Special Weapons Agency, Washington, DC 20305–1000.

record and furnish material to substantiate the reasons for requesting corrections, amendments, or expurgation.

§318.7 Agency review of request for correction or amendment of record.

(a) The Agency will acknowledge a request for correction or amendment within 10 working days of receipt. The acknowledgment will be in writing and will indicate the date by which the Agency expects to make its initial determination.

(b) The Agency shall complete its consideration of requests to correct or amend records within 30 working days, and inform the requester of its initial determination.

(c) If it is determined that records should be corrected or amended in whole or in part, the Agency shall advise the requester in writing of its determination; and correct or amend the records accordingly. The Agency shall then advise prior recipients of the records of the fact that a correction or amendment was made and provide the substance of the change.

(d) If the Agency determines that a record should not be corrected or amended, in whole or in part, as requested by the individual, the Agency shall advise the requester in writing of its refusal to correct or amend the records and the reasons therefor. The notification will inform the requester that the refusal may be appealed administratively and will advise the individual of the procedures for such appeals.

§318.8 Appeal of initial adverse Agency determination for access, correction or amendment.

(a) An individual who disagrees with the denial or partial denial of his or her request for access, correction, or amendment of Agency records pertaining the himself/herself, may file a request for administrative review of such refusal within 30 days after the date of notification of the denial or partial denial.

(b) Such requests shall be made in writing and mailed to the Office of the General Counsel, Defense Special Weapons Agency, 6801 Telegraph Road, Alexandria, VA 22310–3398.

(c) The requester shall provide a brief written statement setting for the reasons for his or her disagreement with the initial determination and provide such additional supporting material as the individual feels necessary to justify the appeal.

(d) Within 30 working days of receipt of the request for review, the Agency shall advise the individual of the final disposition of the request.

(e) In those cases where the initial determination is reversed, the individual will be so informed and the Agency will take appropriate action.

(f) In those cases where the initial determination is sustained, the individual shall be advised:

(1) In the case of a request for access to a record, of the individual's right to seek judicial review of the Agency refusal for access.

(2) In the case of a request to correct or amend the record:

(i) Of the individual's right to file a concise statement of his or her reasons for disagreeing with the Agency's decision in the record,

(ii) Of the procedures for filing a statement of the disagreement, and

(iii) Of the individual's right to seek judicial review of the Agency's refusal to correct or amend a record.

§318.9 Disclosure of record to persons other than the individual to whom it pertains.

(a) *General.* No record contained in a system of records maintained by DSWA shall be disclosed by any means to any person or agency within or outside the Department of Defense without the request or consent of the subject of the record, except as described in 32 CFR part 310.41, appendix C to part 310, and/or a Defense Special Weapons Agency system of records notice.

(b) *Accounting of disclosures.* Except for disclosures made to members of the DoD in connection with their official duties, and disclosures required by the Freedom of Information Act, an accounting will be kept of all disclosures of records maintained in DSWA system of records.

(1) Accounting entries will normally be kept on a DSWA form, which will be maintained in the record file jacket, or

in a document that is part of the record.

(2) Accounting entries will record the date, nature and purpose of each disclosure, and the name and address of the person or agency to whom the disclosure is made.

(3) Accounting records will be maintained for at least 5 years after the last disclosure, of for the life of the record, whichever is longer.

(4) Subjects of DSWA records will be given access to associated accounting records upon request, except for those disclosures made to law enforcement activities when the law enforcement activity has requested that the disclosure not be made, and/or as exempted under section 318.11 of this part.

[62 FR 67292, Dec. 24, 1997]

§ 318.10 Fees.

Individuals may request copies for retention of any documents to which they are granted access in DSWA records pertaining to them. Requesters will not be charged for the first copy of any records provided; however, duplicate copies will require a charge to cover costs of reproduction. Such charges will be computed in accordance with DoD 5400.11–R.

[62 FR 67292, Dec. 24, 1997]

§ 318.11 Exemption rules.

(a) *Exemption for classified material.* All systems of records maintained by the Defense Special Weapons Agency shall be exempt under section (k)(1) of 5 U.S.C. 552a, to the extent that the systems contain any information properly classified under E.O. 12598 and that is required by that E.O. to be kept secret in the interest of national defense or foreign policy. This exemption is applicable to parts of all systems of records including those not otherwise specifically designated for exemptions herein which contain isolated items of properly classified information.

(b) *System identifier and name:* HDSWA 007, Security Operations.

(1) *Exemption:* Portions of this system of records may be exempt from the provisions of 5 U.S.C. 552a(c)(3), (d)(1) through (d)(4), (e)(1), (e)(4)(G), (H), (I), and (f).

(2) *Authority:* 5 U.S.C. 552a(k)(5).

(3) *Reasons:* (i) From subsection (c)(3) because it will enable DSWA to safeguard certain investigations and relay law enforcement information without compromise of the information, and protect the identities of confidential sources who might not otherwise come forward and who have furnished information under an express promise that the sources' identity would be held in confidence (or prior to the effective date of the Act, under an implied promise.)

(ii) From subsection (d)(1) through (d)(4) and (f) because providing access to records of a civil investigation and the right to contest the contents of those records and force changes to be made to the information contained therein would seriously interfere with and thwart the orderly and unbiased conduct of security investigations. Providing access rights normally afforded under the Privacy Act would provide the subject with valuable information that would allow interference with or compromise of witnesses or render witnesses reluctant to cooperate; lead to suppression, alteration, or destruction of evidence; and result in the secreting of or other disposition of assets that would make them difficult or impossible to reach in order to satisfy any Government claim growing out of the investigation or proceeding.

(iii) From subsection (e)(1), (e)(4)(G), (H), (I) because it will provide protection against notification of investigatory material including certain reciprocal investigations and counterintelligence information, which might alert a subject to the fact that an investigation of that individual is taking place, and the disclosure of which would weaken the on-going investigation, reveal investigatory techniques, and place confidential informants in jeopardy who furnished information; under an express promise that the sources' identity would be held in confidence (or prior to the effective date of the Act, under an implied promise.)

(d) *System identifier and name:* HDSWA 011, Inspector General Investigation Files.

(1) *Exemption:* Portions of this system of records may be exempt from the provisions of 5 U.S.C. 552a(c)(3); (d)(1)

through (4); (e)(1); (e)(4)(G), (H), and (I); and (f).

(2) *Authority:* 5 U.S.C. 552a (k)(2).

(3) *Reasons:* (i) From subsection (c)(3) because it will enable DSWA to conduct certain investigations and relay law enforcement information without compromise of the information, protection of investigative techniques and efforts employed, and identities of confidential sources who might not otherwise come forward and who furnished information under an express promise that the sources' identity would be held in confidence (or prior to the effective date of the Act, under an implied promise.)

(ii) From subsection (d)(1) through (d)(4) and (f) because providing access to records of a civil investigation and the right to contest the contents of those records and force changes to be made to the information contained therein would seriously interfere with and thwart the orderly and unbiased conduct of the investigation and impede case preparation. Providing access rights normally afforded under the Privacy Act would provide the subject with valuable information that would allow interference with or compromise of witnesses or render witnesses reluctant to cooperate; lead to suppression, alteration, or destruction of evidence; and result in the secreting of or other disposition of assets that would make them difficult or impossible to reach in order to satisfy any Government claim growing out of the investigation or proceeding.

(iii) From subsection (e)(1), (e)(4)(G), (H), and (I) because it will provide protection against notification of investigatory material including certain reciprocal investigations and counterintelligence information, which might alert a subject to the fact that an investigation of that individual is taking place, and the disclosure of which would weaken the on-going investigation, reveal investigatory techniques, and place confidential informants in jeopardy who furnished information under an express promise that the sources' identity would be held in confidence (or prior to the effective date of the Act, under an implied promise).

[61 FR 63713, Dec. 2, 1996. Redesignated at 62 FR 67291, Dec. 24, 1997]

EDITORIAL NOTE: At 62 FR 67291, Dec. 24, 1997, §318.9 was redesignated as §318.11. At 63 FR 33248, June 18, 1998, §318.9 was amended by redesignating paragraph (d) as (c), however, §318.9 no longer exists.

PART 319—DEFENSE INTELLIGENCE AGENCY PRIVACY PROGRAM

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319.9 Agency review of request for correction or amendment of record.
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319.11 Fees.
319.12 General exemptions. [Reserved]
319.13 Specific exemptions.

AUTHORITY: Pub. L. 93–579, 88 Stat 1896 (5 U.S.C. 552a).

SOURCE: 51 FR 44064, Dec. 8, 1986, unless otherwise noted. Redesignated at 56 FR 56595, Nov. 6, 1991 and 56 FR 57799, Nov. 14, 1991.

§319.1 Authority.

Pursuant to the requirements of section 553 of Title 5 of the United States Code, the Defense Intelligence Agency promulgates its rules for the implementation of the Privacy Act of 1974, Pub. L. 93–579, 5 U.S.C. 552a (f) and (k).

§319.2 Purpose.

(a) To promulgate rules providing procedures by which individuals may exercise their rights granted by the act to:

(1) Determine whether a Defense Intelligence Agency system of records contains a record pertaining to themselves;

(2) Be granted access to all or portions thereof;

(3) Request administrative correction or amendment of such records;

(4) Request an accounting of disclosures from such records; and

(5) Appeal any adverse determination for access or correction/amendment of records.

(b) To set forth Agency policy and fee schedule for cost of duplication.

(c) To identify records subject to the provisions of these rules.

(d) To specify those systems of records for which the Director, Defense Intelligence Agency, claims an exemption.

§ 319.3 Scope.

(a) Any individual who is a citizen of the United States or an alien lawfully admitted for permanent residence in the United States may submit an inquiry to the Defense Intelligence Agency.

(b) These rules apply to those systems of records:

(1) Maintained by the Defense Intelligence Agency;

(2) For which the Defense Intelligence Agency prescribes the content and disposition pursuant to statute or executive order of the President, which may be in the physical custody of another Federal agency;

(3) Not exempted from certain provisions of the act by the Director, Defense Intelligence Agency.

(c) The Defense Intelligence Agency may have physical custody of the official records of another Federal agency which exercises dominion and control over the records, their content, and access thereto. In such cases, the Defense Intelligence Agency maintenance of the records is considered subject to the rules of the other Federal agency. Except for a request for a determination of the existence of the record, when the Defense Intelligence Agency receives requests related to these records, the DIA will immediately refer the request to the controlling agency for all decisions regarding the request and will notify the individual making the request of the referral.

(d) Records subject to provisions of the Act which are transferred to the Washington National Records Center for storage shall be considered to be maintained by the Defense Intelligence Agency. Disclosure from such records—to other than an element of the Defense Intelligence Agency—can only be made with the prior approval of the Defense Intelligence Agency.

(e) Records subject to provisions of the act which are transferred to the National Archives shall be considered to be maintained by the National Archives and are no longer records of the Agency.

§ 319.4 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:

(1) The term *Act* means the Privacy Act of 1974, Pub. L. 93–579, 5 U.S.C. 552a.

(2) The term *Agency* means the Defense Intelligence Agency.

§ 319.5 Procedures for requests pertaining to individual records in a record system.

(a) An individual seeking notification of whether a system of records, maintained by the Defense Intelligence Agency, contains a record pertaining to himself/herself and who desires to review, have copies made of such records, or to be provided an accounting of disclosures from such records, shall submit his or her request in writing. Requesters are encouraged to review the systems of records notices published by the Agency so as to specifically identify the particular record system(s) of interest to be accessed.

(b) In addition to meeting the requirements set forth in § 319.5 of this part, the individual seeking notification, review or copies, and an accounting of disclosures will provide in writing his or her full name, address, social security account number or date of birth and a telephone number where the requester can be contacted should questions arise concerning his or her request. This information will be used only for the purpose of identifying relevant records in response to an individual's inquiry. It is further recommended that individuals indicate any present or past relationship or affiliations, if any, with the Agency and the appropriate dates in order to facilitate a more thorough search of the record system specified and any other system which may contain information

concerning the individual. A signed notarized statement may also be required.

(c) An individual who wishes to be accompanied by another individual when reviewing his or her records, must provide the Agency with written consent authorizing the Agency to disclose or discuss such records in the presence of the accompanying individual.

(d) A request for medical records must be submitted as set forth in §319.7, of this part.

(e) Individuals should mail their written request to the Defense Intelligence Agency, DSP–1A, Washington, DC 20340–3299 and indicate clearly on the outer envelope ''Privacy Act Request''.

(f) An individual who makes a request on behalf of a minor or legal incompetent shall provide a signed notarized statement affirming the relationship.

(g) When an individual wishes to authorize another person access to his or her records, the individual shall provide a signed notarized statement authorizing and consenting to access by the designated person.

(h) Except as provided by section 552a(b) of the act, 5 U.S.C. 552a(b), the written request or prior written consent of the individual to whom a record pertains shall be required before such record is disclosed to any person or to another agency outside the Department of Defense.

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

[51 FR 44064, Dec. 8, 1986. Redesignated at 56 FR 56595, Nov. 6, 1991 and 56 FR 57799, Nov. 14, 1991, and amended at 56 FR 56595, Nov. 6, 1991]

§319.6 Disclosure of requested information to individuals.

The Defense Intelligence Agency, upon receiving a request for notification of the existence of a record or for access to a record, shall:

(a) Determine whether such record exists;

(b) Determine whether access is available under the Privacy Act;

(c) Notify the requester of those determinations within 10 days (excluding Saturday, Sunday and legal public holidays); and

(d) Provide access to information pertaining to that person which has been determined to be available.

§319.7 Special procedures: Medical records.

Medical records, requested pursuant to §319.5 of this part, will be disclosed to the requester unless the disclosure of such records directly to the requester could, in the judgment of a physician, have an adverse effect on the physical or mental health or safety and welfare of the requester or other persons with whom he may have contact. In such an instance, the information will be transmitted to a physician named by the requester or to a person qualified to make a psychiatric or medical determination.

[51 FR 44064, Dec. 8, 1986. Redesignated at 56 FR 56595, Nov. 6, 1991 and 56 FR 57799, Nov. 14, 1991, and amended at 56 FR 56595, Nov. 6, 1991]

§319.8 Request for correction or amendment to record.

(a) An individual may request that the Defense Intelligence Agency correct, amend, or expunge any record, or portions thereof, pertaining to the requester that he believes to be inaccurate, irrelevant, untimely, or incomplete.

(b) Such requests shall be in writing and may be mailed to DSP–1A as indicated in §319.5.

(c) The requester shall provide sufficient information to identify the record and furnish material to substantiate the reasons for requesting corrections, amendments or expurgation.

[51 FR 44064, Dec. 8, 1986. Redesignated at 56 FR 56595, Nov. 6, 1992 and 56 FR 57799, Nov. 14, 1991, and amended at 56 FR 56595, Nov. 6, 1991]

§319.9 Agency review of request for correction or amendment of record.

(a) The Agency will acknowledge a request for correction or amendment of a record within 10 days (excluding Saturday, Sunday, and legal public holidays) of receipt. The acknowledgment will be in writing and will indicate the

date by which the Agency expects to make its initial determination.

(b) The Agency shall complete its consideration of requests to correct or amend records within 30 days (excluding Saturday, Sunday, and legal holidays) and inform the requester of its initial determination.

(c) If it is determined that records should be corrected or amended in whole or in part, the Agency shall advise the requester in writing of its determination; and correct or amend the records accordingly. The Agency shall then advise prior recipients of the records of the fact that a correction or amendment was made and provide the substance of the change.

(d) If the Agency determines that a record should not be corrected or amended, in whole or in part, as requested by the individual, the Agency shall advise the requester in writing of its refusal to correct or amend the records and the reasons therefor. The notification will inform the requester that the refusal may be appealed administratively and will advise the individual of the procedures for such appeals.

§ 319.10 Appeal of initial adverse Agency determination for access, correction or amendment.

(a) An individual who disagrees with the denial or partial denial of his or her request for access, correction, or amendment of Agency records pertaining to himself/herself, may file a request for administrative review of such refusal within 30 days after the date of notification of the denial or partial denial.

(b) Such requests should be in writing and may be mailed to RTS–1 as indicated in § 319.5.

(c) The requester shall provide a brief written statement setting forth the reasons for his or her disagreement with the initial determination and provide such additional supporting material as the individual feels necessary to justify his or her appeal.

(d) Within 30 days (excluding Saturday, Sunday, and legal public holidays) of the receipt of request for review, the Agency shall advise the individual of the final disposition of his or her request.

(e) In those cases where the initial determination is reversed, the individual will be so informed and the Agency will take appropriate action.

(f) In those cases where the initial determinations are sustained, the individual shall be advised:

(1) In the case of a request for access to a record, of the individual's right to seek judicial review of the Agency refusal for access.

(2) In the case of a request to correct or amend the record:

(i) Of the individual's right to file with record in question a concise statement of his or her reasons for disagreeing with the Agency's decision,

(ii) Of the procedures for filing a statement of disagreement, and

(iii) Of the individual's right to seek judicial review of the Agency's refusal to correct or amend a record.

[51 FR 44064, Dec. 8, 1986. Redesignated at 56 FR 56595, Nov. 6, 1991 and 56 FR 57799, Nov. 14, 1991, and amended at 56 FR 56595, Nov. 6, 1991]

§ 319.11 Fees.

(a) The schedule of fees chargeable is contained at § 286.60 *et seq.* As a component of the Department of Defense, the applicable published Departmental rules and schedules with respect to fees will also be the policy of DIA.

(b) Current employees of the Agency will not be charged for the first copy of a record provided by the Agency.

(c) In the absence of an agreement to pay required anticipated costs, the time for responding to a request begins on resolution of this agreement to pay.

(d) The fees may be paid by check, draft or postal money order payable to the Treasurer of the United States. Remittance will be forwarded to the office designated in § 319.5(e).

[51 FR 44064, Dec. 8, 1986. Redesignated at 56 FR 56595, Nov. 6, 1991 and 56 FR 57799, Nov. 14, 1991, and amended at 56 FR 56595, Nov. 6, 1991]

§ 319.12. General exemptions. [Reserved]

§ 319.13 Specific exemptions.

(a) All systems of records maintained by the Director Intelligence Agency shall be exempt from the requirements of 5 U.S.C. 552a(d) pursuant to 5 U.S.C.

552a(k)(1) to the extent that the system contains any information properly classified under Executive order to be kept secret in the interest of national defense or foreign policy. This exemption, which may be applicable to parts of all systems of records, is necessary because certain record systems not specifically designated for exemption may contain isolated information which has been properly classified.

(b) The Director, Defense Intelligence Agency, designated the systems of records listed below for exemptions under the specified provisions of the Privacy Act of 1974, as amended (Pub. L. 93–579):

(c) *System identification and name:* LDIA 0271, Investigations and Complaints.

(1) *Exemption:* Any portion of this record system which falls within the provisions of 5 U.S.C. 552a(k) (2) and (5) may be exempt from the following subsections of 5 U.S.C. 552a: (c)(3), (d), (e)(1), (e)(4)(G), (e)(4)(H), and (e)(4)(I).

(2) *Authority:* 5 U.S.C. 552a(k) (2) and (5).

(3) *Reasons:* The reasons for asserting these exemptions are to ensure the integrity of the Inspector General process within the Agency. The execution requires that information be provided in a free and open manner without fear of retribution or harassment in order to facilitate a just, thorough and timely resolution of the complaint or inquiry. Disclosures from this system can enable individuals to conceal their wrongdoing or mislead the course of the investigation by concealing, destroying or fabricating evidence or documents. Also, disclosures can subject sources and witnesses to harassment or intimidation which may cause individuals not to seek redress for wrongs through Inspector General channels for fear of retribution or harassment.

(d) *System identification and name:* LDIA 0275, DoD Hotline Referrals.

(1) *Exemption:* Any portion of this record system which falls within the provisions of 5 U.S.C. 552a(k) (2) and (5) may be exempt from the following subsections of 5 U.S.C. 552a: (c)(3), (d), (e)(1), (e)(4)(G), (e)(4)(H), and (e)(4)(I).

(2) *Authority:* 5 U.S.C. 552a(k) (2) and (5).

(3) *Reason:* The reasons for asserting these exemptions are to ensure that informants can report instances of fraud and mismanagement without fear of reprisal or unauthorized disclosure of their identity. The execution of this function requires that information be provided in a free and open manner without fear of retribution of harassment in order to facilitate a just, thorough and timely resolution of the case. These records are privileged Director, DIA, documents and information contained therein is not routinely released or disclosed to anyone.

(e) *System identification and name:* LDIA 0660, Security Files.

(1) *Exemption:* Any portion of this record system which falls within the provisions of 5 U.S.C. 552a(k) (2) and (5) may be exempt from the following subsections of 5 U.S.C. 552a: (c)(3), (d), (e)(1), (e)(4)(G), (e)(4)(H), and (e)(4)(I).

(2) *Authority:* 5 U.S.C. 552a(k) (2) and (5).

(3) *Reason:* The reasons for asserting these exemptions are to ensure the integrity of the adjudication process used by the Agency to determine the suitability, eligibility or qualification for Federal service with the Agency and to make determinations concerning the questions of access to classified materials and activities. The proper execution of this function requires that the Agency have the ability to obtain candid and necessary information in order to fully develop or resolve pertinent information developed in the process. Potential sources, out of fear or retaliation, exposure or other action, may be unwilling to provide needed information or may not be sufficiently frank to be a value in personnel screening, thereby seriously interfering with the proper conduct and adjudication of such matters.

(f) *System identification and name:* LDIA 0800, Operation Record System.

(1) *Exemption:* Any portion of this record system which falls within the provisions of 5 U.S.C. 552a(k) (2) and (5) may be exempt from the following subsections of 5 U.S.C. 552a: (c)(3), (d), (e)(1), (e)(4)(G), (e)(4)(H), and (e)(4)(I).

(2) *Authority:* 5 U.S.C. 552a(k) (2) and (5).

(3) *Reason:* The reasons for asserting these exemptions are to ensure the integrity of ongoing foreign intelligence collection and/or training activities conducted by the Defense Intelligence Agency and the Department of Defense. The execution of these functions requires that information in response to national level intelligence requirements be provided in a free and open manner without fear of retribution or unauthorized disclosure. Disclosures from this system can jeopardize sensitive sources and methodology.

[56 FR 56595, Nov. 6, 1991]

PART 320—NATIONAL IMAGERY AND MAPPING AGENCY (NIMA) PRIVACY PROGRAM

Sec.

320.1 Purpose and scope.
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AUTHORITY: Pub. L. 93–579, 88 Stat. 1986 (5 U.S.C. 552a).

SOURCE: 40 FR 55543, Nov. 28, 1975, unless otherwise noted. Redesignated at 57 FR 6074, Feb. 20, 1992.

§ 320.1 Purpose and scope.

(a) This regulation is published pursuant to the Privacy Act of 1974, Pub. L. 93–579, 88 Stat. 1896, 5 U.S.C. 552a (hereinafter the ''Privacy Act''). This regulation:

(1) Establishes or advises of procedures whereby an individual can:

(i) Request notification of whether the National Imagery and Mapping Agency (NIMA) maintains or has disclosed a record pertaining to him in any nonexempt system of records,

(ii) Request a copy or other access to such a record or to an accounting of its disclosure,

(iii) Request that the record be amended and

(iv) Appeal any initial adverse determination of any such request;

(2) Specifies those systems of records which the Director, Headquarters NIMA has determined to be exempt from the procedures established by this regulation and from certain provisions of the Privacy Act. NIMA policy encompasses the safeguarding of individual privacy from any misuse of NIMA records and the provision of the fullest access practicable to individuals to NIMA records concerning them.

[40 FR 55543, Nov. 28, 1975. Redesignated at 57 FR 6074, Feb. 20, 1992, as amended at 62 FR 65020, Dec. 10, 1997]

§ 320.2 Definitions.

As used in this part:

Individual means a natural person who is a citizen of the United States or an alien lawfully admitted for permanent residence. A legal guardian or the parent of a minor have the same rights as the individual and may act on behalf of the individual.

Maintain means to collect, use or disseminate records on individuals.

Record means any item, collection or grouping of information about an individual that is maintained by the NIMA or a Component thereof, including, but not limited to, his education, financial transactions, medical history and criminal or employment history and that contains his name or the identifying number, symbol or other identifying particulars assigned to the individual such as a finger or voice print or a photograph.

System of records means a group of any records under the control of the NIMA or a Component thereof from which information is retrieved by the name of an individual or by some identifying number or symbol or other identifying particular assigned to the individual.

Routine use means (with respect to the disclosure of a record), the use of such record for a purpose which is compatible with the purpose for which it was collected. Routine use encompasses not only common or ordinary

uses but also all the proper and necessary uses of the record even if such use occurs infrequently.

[40 FR 55543, Nov. 28, 1975. Redesignated at 57 FR 6074, Feb. 20, 1992, as amended at 62 FR 65020, Dec. 10, 1997]

§320.3 Procedures for requests for information pertaining to individual records in a record system.

(a) Upon request in person or by mail any individual, as defined in §320.2, shall be informed whether or not any NIMA system of records contains a record pertaining to him.

(b) Any individual requesting such information in person may present himself at NIMA General Counsel Office (refer to the NIMA address list at paragraph (e) of this section) or at the NIMA officer thought to maintain the record in question and shall provide:

(1) Information sufficient to identify the record, e.g., the individual's own name, date of birth, place of birth, and, if possible, an indication of the type of record believed to contain information concerning the individual, and

(2) Acceptable identification to verify the individual's identity, e.g., driver's license, employee identification card or medicare card.

(c) Any individual requesting such information by mail shall address his request to the Director, Defense Mapping Agency, or to the Office of the General Counsel (refer to paragraph (e) of this section) or NIMA office thought to maintain the record in question and shall include in such request the following:

(1) Information sufficient to identify the record, e.g., the individual's own name, date of birth, place of birth, and, if possible, an indication of the type of record believed to contain information concerning the individual, and

(2) A notarized statement or unsworn declaration in accordance with 28 U.S.C. 1746 to verify his identify, if, in the opinion of the NIMA custodian of the record, the sensitivity of the material involved warrants.

(d) NIMA Procedures on Requests for Information. Upon receipt of a request for information made in accordance with these regulations, notice of the existence or nonexistence of any records described in such requests will be furnished to the requesting party within ten working days of receipt.

(e) NIMA General Counsel address list.

(1) NIMA Fairfax, Attn: GC, Mail Stop A–7 NIMA Fairfax, 8613 Lee Highway, Fairfax, VA 22031–2137.

(2) NIMA Bethesda, Attn: GCM, Mail Stop D–10, 4600 Sangamore Road, Bethesda, MD 20816–5003.

(3) NIMA St. Louis, Attn: GCM Mail Stop L–32, 3200 South Second Street, St. Louis, MO 63118–3399.

(4) NIMA Navy Yard, Attn: GCM Stop, N–24, Building 213, Washington, DC 20505–0001.

(5) NIMA Westfields, Attn: GCM, Room 13F20C, 14675 Lee Road, Chantilly, VA 20151–1715.

[40 FR 55543, Nov. 28, 1975. Redesignated and amended at 57 FR 6074, Feb. 20, 1992; 60 FR 7908, Feb. 10, 1995; 62 FR 65020, Dec. 10, 1997]

§320.4 Disclosure of requested information to individuals.

(a) Upon request by an individual made in accordance with the procedures set forth in this section, such individual shall be granted access to any record pertaining to him which is contained in a nonexempt NIMA system of records. However, nothing in this section shall allow an individual access to any information compiled by NIMA in reasonable anticipation of a civil or criminal action or proceeding.

(b) *Procedures for requests for access to records.* Any individual may request access to a NIMA record pertaining to him in person or by mail.

(1) Any individual making such request in person shall present himself at Office of General Counsel (refer to §320.3(e) for address list) or at the NIMA office thought to maintain such record and shall provide identification to verify the individuals' identity, e.g., driver's license, employee identification card, or medicare card.

(2) Any individual making a request for access to records by mail shall address such request to the General Counsel (refer to §320.3(e) for address list) or to the NIMA officer thought to maintain the record in question, and shall include therein a signed, notarized statement to verify his identity.

(3) Any individual requesting access to records under this section in person

may be accompanied by a person of his own choosing while reviewing the record requested. If an individual elects to be so accompanied he shall give notice of such election in his request and shall provide a written statement authorizing disclosure of the record in the presence of the accompanying person. Failure to so notify NIMA in a request for access shall be deemed to be a decision by the individual not to be accompanied.

(c) *NIMA determination of requests for access.* (1) Upon receipt of a request made in accordance with this section, the NIMA Office of the General Counsel or NIMA office having responsibility for maintenance of the record in question shall release the record, or refer it to an Initial Denial Authority, who shall:

(i) Determine whether or not such request shall be granted.

(ii) Make such determination and provide notification within 30 working days after receipt of such request.

(iii) Notify the individual that fees for reproducing copies of records will be assessed and should be remitted before the copies may be delivered. Fee schedule and rules for assessing fees are contained in § 320.9.

(iv) Requests for access to personal records may be denied only by an agency official authorized to act as an Initial Denial Authority or Final Denial Authority, after coordination with the Office of General Counsel.

(2) If access to a record is denied because such information has been compiled by NIMA in reasonable anticipation of a civil or criminal action or proceeding, the individual will be notified of such determination and his right to judicial appeal under 5 U.S.C. 552a(g).

(d) *Manner of providing access.* (1) If access is granted, the individual making the request shall notify the NIMA whether the records requested are to be copied and mailed to him.

(2) If the records are to be made available for personal inspection the individual shall arrange for a mutually agreeable time and place for inspection of the record. The NIMA reserves the right to require the presence of a NIMA officer or employee during personal inspection of any record pursuant to this section and to request of the individual that he provide a signed acknowledgment of the fact that access to the record in question was granted him by the NIMA.

[40 FR 55543, Nov. 28, 1975. Redesignated and amended at 57 FR 6074, Feb. 20, 1992; 62 FR 65020, 65021, Dec. 10, 1997]

§ 320.5 Request for correction or amendment to record.

(a) Any individual may request amendment of a record pertaining to him in accordance with the following procedure.

(b) After inspection of a record pertaining to him an individual may file a request in writing with the NIMA Office of General Counsel or NIMA office having responsibility for maintenance of the record in question for amendment of a record. Such requests shall specify the particular portions of the record to be amended, the desired amendments and the reasons, supported by documentary proof, if available, therefor.

[40 FR 55543, Nov. 28, 1975. Redesignated at 57 FR 6074, Feb. 20, 1992, as amended at 62 FR 65021, Dec. 10, 1997]

§ 320.6 Agency review of request for correction or amendment of record.

(a) Not later than 10 working days after receipt of a request to amend a record, in whole or in part, the NIMA Office of General Counsel, or NIMA office having responsibility for maintenance of the record in question shall make any correction of any portion of the record which the individual believes is not accurate, relevant, timely or complete and thereafter inform the individual of such correction or process the request for refusal.

(b) Refusals of requests for amendment of a record will be made only by an agency official authorized to act as an Initial Denial Authority or Final Denial Authority, after coordination with the Office of General Counsel. The refusal letter will inform the individual by certified mail, return receipt requested, of refusal to amend the record setting forth the reasons therefor and notifying the individual of his right to appeal the decision to the Director, NIMA, in accordance with § 320.7.

(c) Any person or other agency to whom the record has been previously disclosed shall be informed of any correction or notation of dispute with respect to such records.

(d) These provisions for amending records are not intended to permit the alteration of evidence previously presented during any administrative or quasi-judicial proceeding, such as an employee grievance case. Any changes in such records should be made only through the established procedures for such cases. Further, these provisions are not designed to permit collateral attack upon what has already been the subject of an administrative or quasi-judicial action. For example, an individual may not use this procedure to challenge the final decision on a grievance, but the individual would be able to challenge the fact that such action has been incorrectly recorded in his file.

[40 FR 55543, Nov. 28, 1975. Redesignated and amended at 57 FR 6074, Feb. 20, 1992; 62 FR 65021, Dec. 10, 1997]

§320.7 Appeal of initial adverse agency determination on correction or amendment.

(a) An individual whose request for amendment of a record pertaining to him may further request a review of such determination in accordance with this section.

(b) Not later than 30 working days following receipt of notification of refusal to amend, an individual may file an appeal of such decision with the Director, NIMA. The appeal shall be in writing, mailed or delivered to NIMA, Attn: Mail Stop D–10, 4600 Sangamore Road, Bethesda, MD 20816–5003. The appeal shall identify the records involved, shall indicate the dates of the request and adverse determination and shall indicate the express basis for that determination. In addition, the letter of appeal shall state briefly and succinctly the reasons why the adverse determination should be reversed.

(c) Upon appeal from a denial to amend a record the Director, NIMA, or his designee shall make a determination whether or not to amend the record and shall notify the individual of that determination by certified mail, return receipt requested, not later than 10 working days after receipt of such appeal, unless extended pursuant to paragraph (d) of this section.

(1) The Director or his designee shall also notify the individual of the provisions of the Privacy Act of 1974 (5 U.S.C. 552a(g)(1A)) regarding judicial review of his determination.

(2) If on appeal the refusal to amend the record is upheld, the individual shall be permitted to file a statement setting forth the reasons for his disagreement with the Director's determination and such statement shall be appended to the record in question.

(d) The Director or his designee may extend up to 30 days the time period prescribed above within which to make a determination on an appeal from refusal to amend a record for the reason that a fair and equitable review cannot be completed within the prescribed time period.

[40 FR 55543, Nov. 28, 1975. Redesignated at 57 FR 6074, Feb. 20, 1992, as amended at 62 FR 65021, Dec. 10, 1997]

§320.8 Disclosure of record to person other than the individual to whom it pertains.

(a) Subject to the conditions hereinafter set forth, no officer or employee of the NIMA will disclose any record which is contained in a system of records, by any means of communication to any person or other agency who is not an individual to whom the record pertains.

(b) Any such record may be disclosed to any person or other agency only upon written request or with prior written consent of the individual to whom the record pertains.

(c) In the absence of a written consent from the individual to whom the record pertains, such record may be disclosed only provided such disclosure is:

(1) To those officers and employees of the DoD who have a need for the record in the performance of their duties.

(2) Required under the Freedom of Information Act.

(3) For a routine use as defined in appendix C to 32 CFR part 310 of this chapter.

(4) To the Bureau of Census for purposes of planning or carrying out a census or survey or related activity under the provisions of Title 13 of the U.S. Code.

(5) To a recipient who has provided the NIMA with adequate advance written assurance that the record will be used solely as a statistical research or reporting record and the record is transferred in a form that is not individually identifiable and will not be used to make any decisions about the rights, benefits or entitlements of an individual.

(6) 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 U.S. Government or for evaluation by the Administrator of the General Services Administration or his designee to determine whether the record has such value.

(7) To another agency or to an instrumentality of any governmental jurisdiction within or under the control of the U.S. for a civil or criminal law enforcement activity authorized by law, provided the head of the agency or instrumentality has made a prior written request to the Director, NIMA specifying the particular record and the law enforcement activity for which it is sought.

(8) 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.

(9) To either house of Congress, and, to the extent of the matter within its jurisdiction, any committee or subcommittee or joint committee of Congress.

(10) To the Comptroller General or any of his authorized representatives in the course of the performance of the duties of the GAO.

(11) Under an order of a court of competent jurisdiction.

(d) Except for disclosures made pursuant to paragraphs (c) (1) and (2) of this section, an accurate accounting will be kept of the data, nature and purpose of each disclosure of a record to any person or agency, and the name and address of the person or agency to whom the disclosure was made. The accounting of disclosures will be made available for review by the subject of a record at his request except for disclosures made pursuant to paragraph (c)(7) of this section. If an accounting of disclosure has been made, any person or agency contained therein will be informed of any correction or notation of dispute made pursuant to § 320.6.

[40 FR 55543, Nov. 28, 1975. Redesignated at 57 FR 6074, Feb. 20, 1992, as amended at 62 FR 65021, Dec. 10, 1997]

§ 320.9 Fees.

(a) The following services are available with respect to requests made under the provisions of this part for which fees will be charged as provided in paragraphs (b) and (c) of this section.

(1) Copying of records/documents.

(2) Certification of copies of records/documents.

(b) The fees set forth below provide for documents to be mailed with ordinary first-class postage prepaid. If a copy is to be transmitted, at the individual's request, by registered, certified, air or special delivery mail, postage therefor will be added to the basic fee. Also, if special handling or packaging is required, costs thereof will be added to the basic fee.

(1) Schedule of fees:

General fees:	
Minimum fee, per request plus	$2.00
Forms, per copy	.05
Publication, per printed page	.01
Microfiche, per fiche	.06
Reports, per printed page	.05
(Examples: Cost of 20 forms, $3.00; cost of a printed publication with 100 pages, $3.00; cost of a microfiche publication consisting of 10 fiche, $2.60).	
Office copy reproduction (when shelf stock is not available):	
Minimum charge up to six reproduced pages	2.00
Minimum charge, first fiche	5.00
Each additional page	.05
Each additional fiche	.10
Other issuances:	
Minimum charge up to six pages	2.00
Each additional page	.05
Certification and validation of documents with the DMA seal	2.00

(2) Rules relating to charging fees:

(i) Fees may be charged to an individual only for the making of copies when

requested by the individual. When copies are made by the NIMA as a necessary incident to granting access to a record, a fee may not be charged.

(ii) The individual may not be charged for time spent in searching for requested records or for time spent in reviewing records to determine if they fall within the disclosure requirements of the Act.

(iii) The fee charged may not exceed the direct cost of making the copy.

(3) Certification and validation with the NIMA seal of documents will be available at $2.00 for each certification.

(c) Fees charged for the above services are payable in advance by check, or money order payable to the Treasurer of the United States.

[40 FR 55543, Nov. 28, 1975. Redesignated at 57 FR 6074, Feb. 20, 1992, as amended at 62 FR 65021, Dec. 10, 1997]

§320.10 Penalties.

The Privacy Act of 1974 (5 U.S.C. 552a(i)(3)) makes it a misdemeanor subject to a maximum fine of $5,000, to knowingly and willfully request or obtain any record concerning an individual under false pretenses. The Act also establishes similar penalties for violations by NIMA employees of the Act or regulations established thereunder.

[40 FR 55543, Nov. 28, 1975. Redesignated at 57 FR 6074, Feb. 20, 1992, as amended at 62 FR 65021, Dec. 10, 1997]

§320.11 Specific exemptions.

All systems of records maintained by the NIMA and its components shall be exempt from the requirements of 5 U.S.C. 552a(d) pursuant to 5 U.S.C. 552a(k)(1) to the extent that the system contains any information properly classified under Executive Order 12958 and that is required by Executive Order to be kept secret in the interest of national defense or foreign policy. This exemption is applicable to parts of all systems of records including those not otherwise specifically designated for exemptions herein which contain isolated items of properly classified information.

[60 FR 7909, Feb. 10, 1995, as amended at 61 FR 2916, Jan. 30, 1996; 62 FR 65021, Dec. 10, 1997]

PART 321—DEFENSE INVESTIGATIVE SERVICE, PRIVACY ACT OF 1974

Sec.

321.1 Purpose and applicability.
321.2 References.
321.3 Definitions.
321.4 Information and procedures for requesting notification.
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321.6 Access by subject individuals.
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321.10 Appeal of initial amendment decision.
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321.15 DIS implementation policies.

AUTHORITY: Pub. L. 93–579, 88 Stat. 1896 (5 U.S.C. 552a).

SOURCE: 40 FR 55546, Nov. 28, 1975, unless otherwise noted. Redesignated at 56 FR 55631, Oct. 29, 1991.

§321.1 Purpose and applicability.

(a) This part establishes rules, policies and procedures for the disclosure of personal records in the custody of the Defense Investigative Service (DIS) to the individual subjects, the handling of requests for amendment or correction of such records, appeal and review of DIS decisions on these matters, and the application of general and specific exemptions, under the provisions of the Privacy Act of 1974. It also prescribes other policies and procedures to effect compliance with the Privacy Act of 1974 and DoD Directive 5400.11.

(b) The procedures set forth in this part do not apply to DIS personnel seeking access to records pertaining to themselves which previously have been available. DIS personnel will continue to be granted ready access to their personnel, security, and other records by making arrangements directly with the maintaining office. DIS personnel should contact the Office of Information and Legal Affairs for access to investigatory records pertaining to themselves or any assistance in obtaining access to other records pertaining

to themselves, and may follow the procedures outlined in these rules in any case.

[40 FR 55546, Nov. 28, 1975, as amended at 46 FR 35640, July 10, 1981. Redesignated at 56 FR 55631, Oct. 29, 1991]

§ 321.2 References.

(a) Pub. L. 93–579 (5 U.S.C. 552a) the Privacy Act of 1974.

(b) DoD Directive 5400.11, Personal Privacy and Rights of Individuals Regarding Their Personal Records, dated 4 August 1975.

(c) DIS Regulation 28–4, ''Access to and Maintenance of DIS Personal Records''.

(d) DoD Directive 5400.7, DoD Freedom of Information Program.

(e) Office of Management and Budget Guidelines for Implementation of the Privacy Act of 1974, dated 1 July 1975.

(f) DIS Manual for Personnel Security Investigations.

[40 FR 55546, Nov. 28, 1975, as amended at 46 FR 35640, July 10, 1981. Redesignated at 56 FR 55631, Oct. 29, 1991, as amended at 57 FR 33124, July 27, 1992]

§ 321.3 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, the term *agency* means the Defense Investigative Service.

[46 FR 35640, July 10, 1981. Redesignated at 56 FR 55631, Oct. 29, 1991]

§ 321.4 Information and procedures for requesting notification.

(a) *General.* Any individual may request and receive notification of whether he is the subject of a record in any system of records maintained by DIS using the information and procedures described in this section.

(1) Paragraphs (b) and (c) of this section give information that will assist an individual in determining in what systems of DIS records (if any) he may be the subject. This information is presented as a convenience to the individual in that he may avoid consulting the lengthy systems notices elsewhere in the FEDERAL REGISTER.

(2) Paragraph (d) of this section details the procedure an individual should use to contact DIS and request notification. It will be helpful if the individual states what his connection with DIS has or may have been, and about what record system(s) he is inquiring. Such information is not required, but its absence may cause some delay.

(b) *DIS Records Systems.* A list of DIS records systems is available by contacting Defense Investigative Service, Office of Information and Public Affairs, 1900 Half Street, SW, Washington, DC 20324–1700.

(c) *Categories of individuals in DIS Record Systems.* (1) If an individual has ever been investigated by DIS, the investigative case file should be a record in system DIS 5–01. An index to such files should be in DIS 5–02.

(2) If an individual has ever made a formal request to DIS under the Freedom of Information Act or the Privacy Act of 1974, a record pertaining to that request under the name of the requester, or subject matter, will be in system DIS 1–01.

(3) If an individual is or has ever been a member of DIS, i.e., a civilian employee or appointee, or a military assignee, then he may be a subject of any of the 22 record systems depending on his activities, with the following exceptions:

(i) Civilian personnel will not be subjects of DIS 4–05.

(ii) Military personnel will not be subjects of systems DIS 4–06, 07, 08, or 09.

(4) Individuals who have been applicants for employment with DIS, or nominees for assignment to DIS, but who have not completed their DIS affiliation, may be subjects in systems DIS 4–02, 4–04, 5–01, 5–02, or 6–01.

(5) Any individual who is a subject, victim or cross-referenced personally in an investigation by an investigative element of any DoD component, may be referenced in the Defense Central Index of Investigations, system DIS 5–02, in an index to the location, file number, and custodian of the case record.

(6) Individuals who have ever presented a complaint to or have been connected with a DIS Inspector General inquiry may be subjects of records in system DIS 2–01.

(7) If an individual has ever attended the Defense Industrial Security Institute, he should be subject of a record in DIS 7–01.

(8) If an individual has ever been a guest speaker or instructor at the Defense Industrial Security Institute, he should be the subject of a record in DIS 7–02.

(9) If an individual is an employee or major stockholder of a government contractor or other DoD-affiliated company or agency and has been issued, now possesses or has been processed for a security clearance, he may be subject to a record in DIS 8–01.

(d) *Procedures.* The following procedures should be followed to determine if an individual is a subject of records maintained by DIS, and to request notification and access.

(1) Individuals should submit inquiries in person or by mail to the Office of Information and Legal Affairs, 1900 Half St., SW, Washington, DC 20325. Inquiries by personal appearance should be made Monday through Friday from 8:30 to 11:30 a.m. and 1:00 to 4:00 p.m. The information requested in §321.5 must be provided if records are to be accurately identified. Telephonic requests for records will not be honored. In a case where the system of records is not specified in the request, only systems that would resonably contain records of the individual will be checked, as described in §321.4(b).

(2) Only the Director, the Chief, Office of Information and Legal Affairs, or the Director for Investigations may authorize exemptions to notification of individuals in accordance with §321.14.

[40 FR 55546, Nov. 28, 1975, as amended at 46 FR 35640, July 10, 1981. Redesignated at 56 FR 55631, Oct. 29, 1991, as amended at 56 FR 57802, Nov. 14, 1991; 57 FR 33124, July 27, 1992]

§321.5 Requirements for identification.

(a) *General.* Only upon proper identification, made in accordance with the provisions of this section, will any individual be granted notification concerning and access to all releasable records pertaining to him which are maintained in a DIS system.

(b) *Identification.* Identification of individuals is required both for accurate record identification and to verify identity in order to avoid disclosing records to unauthorized persons. Individuals who request notification of, access to, or amendment of records pertaining to themselves, must provide their full name (and additional names such as aliases, maiden names, alternate spellings, etc., if a check of these variants is desired), date and place of birth, and social security account number (SSAN).

(1) Where reply by mail is requested, a mailing address is required, and a telephone number is recommended to expedite certain matters. For military requesters residing in the United States, home address or P.O. Box number is preferred in lieu of duty assignment address.

(2) Signatures must be notarized on requests received by mail. Exceptions may be made when the requester is well known to releasing officials. For requests made in person, a photo identification card, such as military ID, driver's licnse or building pass, must be presented.

(3) While it is not required as a condition of receiving notification, in many cases the SSAN may be necessary to obtain an accurate search of DCII (DIS 5–02) records.

(c) A DIS Form 30 (Request for Notification of/Access to Personal Records) will be provided to any individual inquiring about records pertaining to himself whose mailed request was not notarized. This form is also available at the Office of Information and Legal Affairs, Washington, DC for those who make their requests in person.

[40 FR 55546, Nov. 28, 1975, as amended at 46 FR 35641, July 10, 1981. Redesignated at 56 FR 55631, Oct. 29, 1991]

§321.6 Access by subject individuals.

(a) *General.* (1) Individuals may request access to records pertaining to themselves in person or by mail in accordance with this section. However, nothing in this section shall allow an individual access to any information compiled or maintained by DIS in reasonable anticipation of a civil or criminal action or proceeding, or otherwise exempted under the provisions of §321.14.

(2) A request for a pending personnel security investigation will be held in

abeyance until completion of the investigation and the requester will be so notified.

(b) *Manner of access.* (1) Requests by mail or in person for access to DIS records should be made to the Offices specified in the record systems notices published in the FEDERAL REGISTER by the Department of Defense or to the Office of Information and Legal Affairs, 1900 Half St. SW, Washington, DC 20324.

(2) Any individual who makes a request for access in person shall:

(i) Provide identification as specified in § 321.5.

(ii) Complete and sign a request form.

(3) Any individual making a request for access to records by mail shall include a signed and notarized statement to verify his identity, which may be the DIS request form if he has received one.

(4) Any individual requesting access to records in person may be accompanied by an identified person of his own choosing while reviewing the record. If the individual elects to be accompanied, he shall make this known in his written request, and include a statement authorizing disclosure of the record contents to the accompanying person. Without written authorization of the subject individual, records will not be disclosed to third parties accompanying the subject.

(5) Members of DIS field elements may be given access to records maintained by the field elements without referral to the Office of Information or the records system manager at headquarters. An account of such access will be kept for reporting purposes.

(6) In all requests for access, the requester must state whether he or she desires access in person or mailed copies of records. During personal access, where copies are made for retention, a fee for reproduction and postage may be assessed as provided in § 321.12. Where copies are mailed because personal appearance is impractical, there will be no fee.

(7) All individuals who are not affiliates of DIS will be given access to records in the Office of Information and Legal Affairs, or by means of mailed copies.

[40 FR 55546, Nov. 28, 1975, as amended at 46 FR 35641, July 10, 1981. Redesignated at 56 FR 55631, Oct. 29, 1991, as amended at 56 FR 57802, Nov. 14, 1991]

§ 321.7 Medical records.

(a) *General.* Medical records that are part of DIS records systems will generally be included with those records when access is granted to the subject to which they pertain. However, if it is determined that such access could have an adverse effect upon the individual's physical or mental health, the medical record in question will be released only to a physician named by the requesting individual.

[40 FR 55546, Nov. 28, 1975, as amended at 46 FR 35641, July 10, 1981. Redesignated at 56 FR 55631, Oct. 29, 1991]

§ 321.8 Request for correction or amendment.

(a) *General.* Upon request and proper identification by any individual who has been granted access to DIS records pertaining to himself or herself, that individual may request, either in person or through the mail, that the record be amended. Such a request must be made in writing and addressed to the Office of Information and Legal Affairs, 1900 Half St., SW, Washington, DC 20324.

(b) *Content.* The following information must be included to insure effective action on the request:

(1) *Description of the record.* Requesters should specify the number of pages and documents, the titles of the documents, form numbers if there are any, dates on the documents and names of individuals who signed them. Any reasonable description of the document is acceptable.

(2) *Description of the items to be amended.* The description of the passages, pages or documents to be amended should be as clear and specific as possible.

(i) Page, line and paragraph numbers should be cited where they exist.

(ii) A direct quotation of all or a portion of the passage may be made if it isn't otherwise easily identifiable. If the passage is long, a quotation of its beginning and end will suffice.

(iii) In appropriate cases, a simple substantive request may be appropriate, e.g., ''delete all references to my alleged arrest in July 1970.''

(iv) If the requester has received a copy of the record, he may submit an annotated copy of documents he wishes amended.

(3) *Type of amendment.* The requester must clearly state the type of amendment he is requesting.

(i) Deletion or expungement, i.e., a complete removal from the record of data, sentences, passages, paragraphs or documents.

(ii) Correction of the information in the record to make it more accurate, e.g., rectify mistaken identities, dates, data pertaining to the individual, etc.

(iii) Additions to make the record more relevant, accurate or timely may be requested.

(iv) Other changes may be requested; they must be specifically and clearly described.

(4) *Reason for amendment.* Requests for amendment must be based on specific reasons, included in writing. Categories of reasons are as follows:

(i) *Accuracy.* Amendment may be requested where matters of fact are believed incorrectly recorded, e.g., dates, names, addresses, identification numbers, or any other information concerning the individual. The request, whenever possible, should contain the accurate information, copies of verifying documents, or indication of how the information can be verified.

(ii) *Relevance.* Amendment may be requested when information in a record is believed not to be relevant or necessary to the purposes of the record system. (See DoD FEDERAL REGISTER Descriptions.)

(iii) *Timeliness.* Amendment may be requested when information is thought to be so old as to no longer be pertinent to the stated purposes of the records system. It may also be requested when there is recent information of a pertinent type that is not included in the record.

(iv) *Completeness.* Amendment may be requested where information in a record is incomplete with respect to its purpose. The data thought to have been omitted should be included or identified with the request.

(v) *Fairness.* Amendment may be requested when a record is thought to be unfair concerning the subject, in terms of the stated purposes of the record. In such cases, a source of additional information to increase the fairness of the record should be identified where possible.

(vi) *Other reasons.* Reasons for requesting amendment are not limited to those cited above. The content of the records is authorized in terms of their stated purposes which should be the basis for evaluating them. However, any matter believed appropriate may be submitted as a basis of an amendment request.

(vii) *Court orders and statutes may require amendment of a file.* While they do not require a Privacy Act request for execution, such may be brought to the attention of DIS by these procedures.

(c) [Reserved]

(d) *Assistance.* Individuals seeking to request amendment of records pertaining to themselves that are maintained by DIS will be assisted as necessary by DIS officials. Where a request is incomplete, it will not be denied, but the requester will be contacted for the additional information necessary to his request.

(e) This section does not permit the alteration of evidence presented to courts, boards and other official proceedings.

[40 FR 55546, Nov. 28, 1975, as amended at 46 FR 35641, July 10, 1981. Redesignated at 56 FR 55631, Oct. 29, 1991]

§321.9 DIS review of request for amendment.

(a) *General.* Upon receipt from any individual of a request to amend a record pertaining to himself and maintained by the DIS, the Office of Information and Legal Affairs will handle the request as follows:

(1) A written acknowledgment of the receipt of a request for amendment of a record will be provided to the individual within 10 working days, unless final action regarding approval or denial can be accomplished within that time. In that case, the notification of approval or denial will constitute adequate acknowledgment.

(2) Where there is a determination to grant all or a portion of a request to

amend a record, the record shall be promptly amended and the requesting individual notified. Individuals, agencies or components shown by accounting records to have received copies of the record, or to whom disclosure has been made, will be notified of the amendment by the responsible official. Where a DoD recipient of an investigative record cannot be located, the notification will be sent to the personnel security element of the parent Component.

(3) Where there is a determination to deny all or a portion of a request to amend a record, the office will promptly:

(i) Advise the requesting individual of the specifics of the refusal and the reasons;

(ii) Inform the individual that he may request a review of the denial(s) from ''Director, Defense Investigative Service, 1900 Half Street, SW, Washington, DC 20324.'' The request should be brief, in writing, and enclose a copy of the denial correspondence.

(b) *DIS determination to approve or deny*. Determination to approve or deny and request to amend a record or portion thereof may necessitate additional investigation or inquiry be made to verify assertions of individuals requesting amendment. Coordination will be made with the Director for Investigations and the Director of the Personnel Investigations Center in such instances.

[40 FR 55546, Nov. 28, 1975, as amended at 46 FR 35641, July 10, 1981. Redesignated at 56 FR 55631, Oct. 29, 1991]

§ 321.10 Appeal of initial amendment decision.

(a) *General.* Upon receipt from any individual of an appeal to review a DIS refusal to amend a record, the Office of Information and Legal Affairs will assure that such appeal is handled in compliance with the Privacy Act of 1974 and DoD Directive 5400.11 and accomplish the following:

(1) Review the record, request for amendment, DIS action on the request and the denial, and direct such additional inquiry or investigation as is deemed necessary to make a fair and equitable determination.

(2) Recommend to the Director whether to approve or deny the appeal.

(3) If the determination is made to amend a record, advise the individual and previous recipients (or an appropriate office) where an accounting of disclosures has been made.

(4) Where the decision has been made to deny the individual's appeal to amend a record, notify the individual:

(i) Of the denial and the reason;

(ii) Of his right to file a concise statement of reasons for disagreeing with the decision not to amend the record;

(iii) That such statement may be sent to the Office of Information and Legal Affairs, DIS (D0030), Washington, DC 20314, and that it will be disclosed to users of the disputed record;

(iv) That prior recipients of the disputed record will be provided a copy of the statement of disagreement, or if they cannot be reached (e.g., through deactivation) the personnel security element of their DoD component;

(v) And, that he may file a suit in a Federal District Court to contest DIS's decision not to amend the disputed record.

(b) *Time limit for review of appeal.* If the review of an appeal of a refusal to amend a record cannot be accomplished within 30 days, the Office of Information and Legal Affairs will notify the individual and advise him of the reasons, and inform him of when he may expect the review to be completed.

[40 FR 55546, Nov. 28, 1975, as amended at 46 FR 35641, July 10, 1981. Redesignated at 56 FR 55631, Oct. 29, 1991]

§ 321.11 Disclosure to other than subject.

(a) *General.* No record contained in a system of records maintained by DIS shall be disclosed by any means to any person or agency outside the Department of Defense, except with the written consent or request of the individual subject of the record, except as provided in this section. Disclosures that may be made without the request or consent of the subject of the record are as follows:

(1) To those officials and employees of the Department of Defense who have a need for the record in the performance of their duties, when the use is

compatible with the stated purposes for which the record is maintained.

(2) Required to be disclosed by the Freedom of Information Act.

(3) For a routine use as described in DoD Directive 5400.11 and DoD publication in the FEDERAL REGISTER.

(4) To the Census Bureau, National Archives, the U.S. Congress, the Comptroller General or General Accounting Office under the conditions specified in DoD Directive 5400.11.

(5) At the written request of the head of an agency outside DoD for a law enforcement activity as authorized by DoD Directive 5400.11.

(6) For statistical purposes, in response to a court order, or for compelling circumstances affecting the health or safety of an individual as described in DoD Directive 5400.11.

(7) Legal guardians recognized by the Act.

(b) *Accounting of disclosures.* Except for disclosures made to members of the DoD in connection with their routine duties, and disclosures required by the Freedom of Information Act, an accounting will be kept of all disclosures of records maintained in DIS systems listed in §321.4b.

(1) Accounting entries will normally be kept on a DIS form, which will be maintained in the record file jacket, or in a document that is part of the record.

(2) Accounting entries will record the date, nature and purpose of each disclosure, and the name and address of the person or agency to whom the disclosure is made.

(3) An accounting of disclosures made to agencies outside the DoD of records in the Defense Central Index of Investigations (DIS 5–02) will be kept as prescribed by the Director of Systems, DIS.

(4) Accounting records will be maintained for at least 5 years after the last disclosure, or for the life of the record, whichever is longer.

(5) Subjects of DIS records will be given access to associated accounting records upon request, except as exempted under §321.14.

[40 FR 55546, Nov. 28, 1975, as amended at 46 FR 35641, July 10, 1981. Redesignated at 56 FR 55631, Oct. 29, 1991, as amended at 56 FR 57803, Nov. 14, 1991]

§321.12 Fees.

Individuals may request copies for retention of any documents to which they are granted access in DIS records pertaining to them. Requestors will not be charged for the first copy of any records provided; however, duplicate copies will require a charge to cover costs of reproduction. Such charges will be computed in accordance with DoD Directive 5400.11.

[46 FR 35641, July 10, 1981]

§321.13 Penalties.

(a) An individual may bring a civil action against the DIS to correct or amend the record, or where there is a refusal to comply with an individual request or failure to maintain any record with accuracy, relevance, timeliness and completeness, so as to guarantee fairness, or failure to comply with any other provision of 5 U.S.C. 552a. The court may order correction or amendment. It may assess against the United States reasonable attorney fees and other costs, or may enjoin the DIS from withholding the records and order the production to the complainant.

(b) Where it is determined that the action was willful or intentional with respect to 5 U.S.C. 552a(g)(1) (C) or (D), the United States shall be liable for the actual damages sustained, but in no case less than the sum of $1,000 and the costs of the action with attorney fees.

(c) Criminal penalties may be imposed against an officer or employee of the DIS who fully discloses material, which he knows is prohibited from disclosure, or who willfully maintains a system of records without the notice requirements; or against any person who knowingly and willfully requests or obtains any record concerning an individual from an agency under false pretenses. These offenses shall be misdemeanors with a fine not to exceed $5,000.

§321.14 Exemptions.

(a) *General.* The Director of the Defense Investigative Service establishes the following exemptions of records systems (or portions thereof) from the provisions of these rules, and other indicated portions of Pub. L. 93–579, in this section. They may be exercised

only by the Director, DIS and the Chief of the Office of Information and Legal Affairs. Exemptions will be exercised only when necessary for a specific, significant and legitimate reason connected with the purpose of a records system, and not simply because they are authorized by statute. Personal records releasable under the provisions of 5 U.S.C. 552 will not be withheld from subject individuals based on these exemptions.

(b) All systems of records maintained by DIS shall be exempt from the requirements of 5 U.S.C. 552a(d) pursuant to 5 U.S.C. 552a(k)(1) to the extent that the system contains any information properly classified under Executive Order 12958 and which is required by the Executive Order to be withheld in the interest of national defense of foreign policy. This exemption, which may be applicable to parts of all systems of records, is necessary because certain record systems not otherwise specifically designated for exemptions herein may contain items of information that have been properly classified.

(c) System identifier. V1–01

(1) *System name.* Privacy and Freedom of Information Request Records.

(2) *Exemption.* Any portion of this system that falls under the provisions of 5 U.S.C. 552a(k)(2), (k)(3), (k)(5) may be exempt from the following subsections of 5 U.S.C. 552a: (c)(3); (d); (e)(1); (e)(4)(G), (H) and (I); and (f).

(3) *Authority.* 5 U.S.C. 552a(k)(2), (k)(3), and (k)(5)

(4) *Reasons.* From subsection (c)(3) because it will enable DIS to conduct certain investigations and relay law enforcement information without compromise of the information, protection of investigative techniques and efforts employed, and identities of confidential sources who might not otherwise come forward and who furnished information under an express promise that the sources' identity would be held in confidence (or prior to the effective date of the Act, under an implied promise);

(i) From subsections (e)(1), (e)(4)(G), (H), and (I) because it will provide protection against notification of investigatory material including certain reciprocal investigations and counterintelligence information, which might alert a subject to the fact that an investigation of that individual is taking place, and the disclosure of which would weaken the on-going investigation, reveal investigatory techniques, and place confidential informants in jeopardy who furnished information under an express promise that the sources' identity would be held in confidence (or prior to the effective date of the Act, under an implied promise);

(ii) From subsections (d) and (f) because requiring DIS to grant access to records and agency rules for access and amendment of records would unfairly impede the agency's investigation of allegations of unlawful activities. To require DIS to confirm or deny the existence of a record pertaining to a requesting individual may in itself provide an answer to that individual relating to an on-going investigation. The investigation of possible unlawful activities would be jeopardized by agency rules requiring verification of record, disclosure of the record to the subject, and record amendment procedures.

(d) System identifier. V5–01

(1) *System name.* Investigative Files System

(2) *Exemption.* Any portion of this system that falls under the provisions of 5 U.S.C. 552a(k)(2), (k)(3), or (k)(5) may be exempt from the following subsections of 5 U.S.C. 552a: (c)(3); (d); (e)(1); (e)(4)(G), (H), and (I); and (f).

(3) *Authority.* 5 U.S.C. 552a(k)(2), (k)(3), and (k)(5).

(4) *Reasons.* From subsection (c)(3) because it will enable DIS to conduct certain investigations and relay law enforcement information without compromise of the information, protection of investigative techniques and efforts employed, and identities of confidential sources who might not otherwise come forward and who furnished information under an express promise that the sources' identity would be held in confidence (or prior to the effective date of the Act, under an implied promise).

(i) From subsections (e)(1), (e)(4)(G), (H), and (I) because it will provide protection against notification of investigatory material including certain reciprocal investigations and counterintelligence information, which might

alert a subject to the fact that an investigation of that individual is taking place, and the disclosure of which would weaken the on-going investigation, reveal investigatory techniques, and place confidential informants in jeopardy who furnished information under an express promise that the sources' identity would be held in confidence (or prior to the effective date of the Act, under an implied promise).

(ii) From subsections (d) and (f) because requiring DIS to grant access to records and agency rules for access and amendment of records would unfairly impede the agency's investigation of allegations of unlawful activities. To require DIS to confirm or deny the existence of a record pertaining to a requesting individual may in itself provide an answer to that individual relating to an on-going investigation. The investigation of possible unlawful activities would be jeopardized by agency rules requiring verification of record, disclosure of the record to the subject, and record amendment procedures.

(e) System identifier. V5–02

(1) *System name.* Defense Clearance and Investigations Index (DCII).

(2) *Exemption.* Any portion of this system that falls under the provisions of 5 U.S.C. 552a(k)(2) may be exempt from the following subsections of 5 U.S.C. 552a: (c)(3); (d); (e)(1); (e)(4)(G), (H), and (I), and (f).

(3) *Authority.* 5 U.S.C. 552a(k)(2).

(4) *Reasons.* From subsection (c)(3) because it will enable DIS to conduct certain investigations and relay law enforcement information without compromise of the information, protection of investigative techniques and efforts employed, and identities of confidential sources who might not otherwise come forward and who furnished information under an express promise that the sources' identity would be held in confidence (or prior to the effective date of the Act, under an implied promise).

(i) From subsections (e)(1), (e)(4)(G), (H), and (I) because it will provide protection against notification of investigatory material including certain reciprocal investigations and counterintelligence information, which might alert a subject to the fact that an investigation of that individual is taking place, and the disclosure of which would weaken the on-going investigation, reveal investigatory techniques, and place confidential informants in jeopardy who furnished information under an express promise that the sources' identity would be held in confidence (or prior to the effective date of the Act, under an implied promise).

(ii) From subsections (d) and (f) because requiring DIS to grant access to records and agency rules for access and amendment of records would unfairly impede the agency's investigation of allegations of unlawful activities. To require DIS to confirm or deny the existence of a record pertaining to a requesting individual may in itself provide an answer to that individual relating to an on-going investigation. The investigation of possible unlawful activities would be jeopardized by agency rules requiring verification of record, disclosure of the record to the subject, and record amendment procedures.

(f) System identifier. V5–03

(1) *System name.* Defense Integrated Management System (DIMS).

(2) *Exemption.* Any portion of this system that falls under the provisions of 5 U.S.C. 552a(k)(2) may be exempt from the following subsections of 5 U.S.C. 552a: (c)(3); (d); (e)(1); (e)(4)(G), (H), and (I), and (f).

(3) *Authority.* 5 U.S.C. 552a(k)(2).

(4) *Reasons.* From subsection (c)(3) because it will enable DIS to conduct certain investigations and relay law enforcement information without compromise of the information, protection of investigative techniques and efforts employed, and identities of confidential sources who might not otherwise come forward and who furnished information under an express promise that the sources' identity would be held in confidence (or prior to the effective date of the Act, under an implied promise).

(i) From subsections (e)(1), (e)(4)(G), (H), and (I) because it will provide protection against notification of investigatory material including certain reciprocal investigations and counterintelligence information, which might alert a subject to the fact that an investigation of that individual is taking place, and the disclosure of which

would weaken the on-going investigation, reveal investigatory techniques, and place confidential informants in jeopardy who furnished information under an express promise that the sources' identity would be held in confidence (or prior to the effective date of the Act, under an implied promise).

(ii) From subsections (d) and (f) because requiring DIS to grant access to records and agency rules for access and amendment of records would unfairly impede the agency's investigation of allegations of unlawful activities. To require DIS to confirm or deny the existence of a record pertaining to a requesting individual may in itself provide an answer to that individual relating to an on-going investigation. The investigation of possible unlawful activities would be jeopardized by agency rules requiring verification of record, disclosure of the record to the subject, and record amendment procedures.

(g) System identifier. V5–04.

(1) *System name.* Counterintelligence Issues Database (CII-DB).

(2) *Exemption.* Portions of this system of records that fall within the provisions of 5 U.S.C. 552a(k)(1), (k)(2), (k)(3) and (k)(5) may be exempt from the following subsections (c)(3); (d)(1) through (d)(5); (e)(1); (e)(4)(G), (H), and (I); and (f).

(3) *Authority.* 5 U.S.C. 552a(k)(1), (k)(2), (k)(3) and (k)(5).

(4) *Reasons.* From subsection (c)(3) because giving the individual access to the disclosure accounting could alert the subject of an investigation to the existence and nature of the investigation and reveal investigative or prosecutive interest by other agencies, particularly in a joint-investigation situation. This would seriously impede or compromise the investigation and case preparation by prematurely revealing its existence and nature; compromise or interfere with witnesses or make witnesses reluctant to cooperate with the investigators; lead to suppression, alteration, fabrication, or destruction of evidence; and endanger the physical safety of confidential sources, witnesses, law enforcement personnel and their families.

(i) From subsection (d) because the application of these provisions could impede or compromise an investigation or prosecution if the subject of an investigation had access to the records or were able to use such rules to learn of the existence of an investigation before it would be completed. In addition, the mere notice of the fact of an investigation could inform the subject and others that their activities are under or may become the subject of an investigation and could enable the subjects to avoid detection or apprehension, to influence witnesses improperly, to destroy evidence, or to fabricate testimony.

(ii) From subsection (e)(1) because during an investigation it is not always possible to detect the relevance or necessity of each piece of information in the early stages of an investigation. In some cases, it is only after the information is evaluated in light of other evidence that its relevance and necessity will be clear. In other cases, what may appear to be a relevant and necessary piece of information may become irrelevant in light of further investigation. In addition, during the course of an investigation, the investigator may obtain information that related primarily to matters under the investigative jurisdiction of another agency, and that information may not be reasonably segregated. In the interest of effective law enforcement, DIS investigators should retain this information, since it can aid in establishing patterns of criminal activity and can provide valuable leads for Federal and other law enforcement agencies.

(iii) From subsections (e)(4)(G), (e)(4)(H), (e)(4)(I) and (f) because this system is exempt from subsection (d) of the Act, concerning access to records. These requirements are inapplicable to the extent that these records will be exempt from these subsections. However, DIS has published information concerning its notification and access procedures, and the records source categories because under certain circumstances, DIS could decide it is appropriate for an individual to have access to all or a portion of his/her records in this system of records.

(h) System identifier. V8–01

(1) *System name.* Industrial Personnel Security Clearance Files

(2) *Exemption.* Any portion of this system that falls under the provisions

of 5 U.S.C. 552a (k)(5) may be exempt from the following subsections of 5 U.S.C. 552a: (c)(3); (d); (e)(1); (e)(4)(G), (H), and (I); and (f).

(3) *Authority*. 5 U.S.C. 552a(k)(5).

(4) *Reasons*. From subsection (c)(3) because it will enable DIS to conduct certain investigations and relay law enforcement information without compromise of the information, protection of investigative techniques and efforts employed, and identities of confidential sources who might not otherwise come forward and who furnished information under an express promise that the sources' identity would be held in confidence (or prior to the effective date of the Act, under an implied promise).

(i) From subsections (e)(1), (e)(4)(G), (H), and (I) because it will provide protection against notification of investigatory material including certain reciprocal investigations and counterintelligence information, which might alert a subject to the fact that an investigation of that individual is taking place, and the disclosure of which would weaken the on-going investigation, reveal investigatory techniques, and place confidential informants in jeopardy who furnished information under an express promise that the sources' identity would be held in confidence (or prior to the effective date of the Act, under an implied promise).

(ii) From subsections (d) and (f) because requiring DIS to grant access to records and agency rules for access and amendment of records would unfairly impede the agency's investigation of allegations of unlawful activities. To require DIS to confirm or deny the existence of a record pertaining to a requesting individual may in itself provide an answer to that individual relating to an on-going investigation. The investigation of possible unlawful activities would be jeopardized by agency rules requiring verification of record, disclosure of the record to the subject, and record amendment procedures.

[40 FR 55546, Nov. 28, 1975, as amended at 46 FR 881, Jan. 5, 1981; 46 FR 35641, July 10, 1981. Redesignated at 56 FR 55631, Oct. 29, 1991, as amended at 57 FR 33124, July 27, 1992; 61 FR 2916, Jan. 30, 1996; 61 FR 3814, Feb. 2, 1996]

§ 321.15 DIS implementation policies.

(a) *General*. The implementation of the Privacy Act of 1974 within DIS is as prescribed by DoD Directive 5400.11. This section provides special rules and information that extend or amplify DoD policies with respect to matters of particular concern to the Defense Investigative Service.

(b) *Privacy Act rules application:* Any request which cites neither Act, concerning personal record information in a system or records, by the individual to whom such information pertains, for access, amendment, correction, accounting of disclosures, etc., will be governed by the Privacy Act of 1974, DoD Directive 5400.11 and these rules exclusively. Requests for like information which cite only the Freedom of Information Act will be governed by the Freedom of Information Act DoD Regulation 5400.7R. Any denial or exemption of all or part of a record from notification, access, disclosure, amendment or other provision, will also be processed under these rules, unless court order or other competent authority directs otherwise.

(c) [Reserved]

(d) *First amendment rights*. No DIS official or element may maintain any information pertaining to the exercise by an individual of his rights under the First Amendment without the permission of that individual unless such collection is specifically authorized by statute or necessary to and within the scope of an authorized law enforcement activity.

(e) *Standards of accuracy and validation of records*. (1) All individuals or elements within DIS which create or maintain records pertaining to individuals will insure that they are reasonably accurate, relevant, timely and complete to serve the purpose for which they are maintained and to assure fairness to the individual to whom they pertain. Information that is not pertinent to a stated purpose of a system of records will not be maintained within those records. Officials compiling investigatory records will make every reasonable effort to assure that only reports that are impartial, clear, accurate, complete, fair and relevant with respect to the authorized purpose of such records are included, and that

reports not meeting these standards or serving such purposes are not included in such records.

(2) Prior to dissemination to an individual or agency outside DoD of any record about an individual (except for a Freedom of Information Act action or access by a subject individual under these rules) the disclosing DIS official will by review, make a reasonable effort to assure that such record is accurate, complete, timely, fair and relevant to the purpose for which they are maintained.

(f) *The defense central index of investigations (DCII).* It is the policy of DIS, as custodian, that each DoD component or element that has direct access to or contributes records to the DCII (DIS 5–02), is individually responsible for compliance with The Privacy Act of 1974 and DoD Directive 5400.11 with respect to requests for notification, requests for access by subject individuals, granting of such access, request for amendment and corrections by subjects, making amendments or corrections, other disclosures, accounting for disclosures and the exercise of exemptions, insofar as they pertain to any record placed in the DCII by that component or element. Any component or element of the DoD that makes a disclosure of any record whatsoever to an individual or agency outside the DoD, from the DCII, is individually responsible to maintain an accounting of that disclosure as prescribed by The Privacy Act of 1974 and DoD Directive 5400.11 and to notify the element placing the record in the DCII of the disclosure. Use of and compliance with the procedures of the DCII Disclosure Accounting System will meet these requirements. Any component or element of DoD with access to the DCII that, in response to a request concerning an individual, discovers a record pertaining to that individual placed in the DCII by another component or element, may refer the requester to the DoD component that placed the record into the DCII without making an accounting of such referral, although it involves the divulging of the existence of that record. Generally, consultation with, and referral to, the component or element placing a record in the DCII should be effected by any component receiving a request pertaining to that record to insure appropriate exercise of amendment or exemption procedures.

(g) *Investigative operations.* (1) DIS agents must be thoroughly familiar with and understand these rules and the authorities, purposes and routine uses of DIS investigative records, and be prepared to explain them and the effect of refusing information to all sources of investigative information, including subjects, during interview, in response to questions that go beyond the required printed and oral notices. Agents shall be guided by reference (f) § 321.2, in this respect.

(2) All sources may be advised that the subject of an investigative record may be given access to it, but that the identities of sources may be withheld under certain conditions. Such advisement will be made as prescribed in § 321.2(f), and the interviewing agent may not urge a source to request a grant of confidentiality. Such pledges of confidence will be given sparingly and then only when required to obtain information relevant and necessary to the stated purpose of the investigative information being collected.

(h) *Non-system information on individuals.* The following information is not considered part of personal records systems reportable under the Privacy Act of 1974 and may be maintained by DIS members for ready identification, contact, and property control purposes only. If at any time the information described in this paragraph is to be used for other than these purposes, that information must become part of a reported, authorized record system. No other information concerning individuals except that described in the records systems notice and this paragraph may be maintained within DIS.

(1) Identification information at doorways, building directories, desks, lockers, nametags, etc.

(2) Identification in telephone directories, locator cards and rosters.

(3) Geographical or agency contact cards.

(4) Property receipts and control logs for building passes, credentials, vehicles, weapons, etc.

(5) Temporary personal working notes kept solely by and at the initiative of individual members of DIS to facilitate their duties.

(i) *Notification of prior recipients.* Whenever a decision is made to amend a record, or a statement contesting a DIS decision not to amend a record is received from the subject individual, prior recipients of the record identified in disclosure accountings will be notified to the extent possible. In some cases, prior recipients cannot be located due to reorganization or deactivations (e.g., U.S. Military Assistance Command, Vietnam). In these cases, the personnel security element of the receiving Defense Component will be sent the notification or statement for appropriate action.

(j) *Ownership of DIS Investigative Records.* Personnel security investigative reports shall not be retained by DoD recipient organizations. Such reports are considered to be the property of the investigating organization and are on loan to the recipient organization for the purpose for which requested. All copies of such reports shall be destroyed within 120 days after the completion of the final personnel security determination and the completion of all personnel action necessary to implement the determination. Reports that are required for longer periods may be retained only with the specific written approval of the investigative organization.

(k) *Consultation and referral.* DIS system of records may contain records originated by other components or agencies which may have claimed exemptions for them under the Privacy Act of 1974. When any action that may be exempted is initiated concerning such a record, consultation with the originating agency or component will be effected. Where appropriate such records will be referred to the originating component or agency for approval or disapproval of the action.

[40 FR 55546, Nov. 28, 1975, as amended at 46 FR 35641, July 10, 1981. Redesignated at 56 FR 55631, Oct. 29, 1991, as amended at 56 FR 57803, Nov. 14, 1991]

PART 322—PRIVACY ACT SYSTEMS OF RECORDS—DISCLOSURES AND AMENDMENT PROCEDURES—SPECIFIC EXEMPTIONS, NATIONAL SECURITY AGENCY

Sec.
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AUTHORITY: Pub. L. 93–579; 88 Stat. 1896 (5 U.S.C. 552a).

SOURCE: 40 FR 44294, Sept. 25, 1975, unless otherwise noted. Redesignated at 56 FR 55631, Oct. 29, 1991.

§322.1 Purpose and scope.

(a) The purpose of this rule is to comply with and implement title 5 U.S.C. 552a, sections (f) and (k), hereinafter identified as the Privacy Act. It establishes the procedures by which an individual may be notified whether a system of records contains information pertaining to the individual; defines times, places and requirements for identification of the individual requesting records, for disclosure of requested records where appropriate; special handling for medical and psychological records; for amendment of records; appeal of denials of requests for amendment; and provides a schedule of fees to be charged for making copies of requested records. In addition, this rule contains the exemptions promulgated by the Director, NSA, pursuant to 5 U.S.C. 552a(k), to exempt Agency systems of records from subsections (c)(3); (d); (e)(1); (e)(4)(G), (H), (I); and (f) of section 552a.

(b) The procedures established and exemptions claimed apply to systems of records for which notice has been published in the FEDERAL REGISTER pursuant to the Privacy Act. Requests from individuals for records pertaining

to themselves will be processed in accordance with these procedures and consistent with the exemptions claimed. Requests for records which do not specify the statute pursuant to which they are made but which may be reasonably construed to be requests by an individual for records pertaining to that individual will also be processed in accordance with these procedures and consistent with exemptions claimed. To the extent appropriate, these procedures apply to records maintained by this Agency pursuant to system of records notices published by the Civil Service Commission. The primary category of records affected by a Commission notice is that maintained in conjunction with the CSC system identified as ''CSC-Retirement Life Insurance and Health Benefits Records System.'' Authority pursuant to 44 U.S.C. 3101 to maintain each system of records for which notice has been published is implied in each ''authority for maintenance of a system'' of each systems notice.

§ 322.2 Definitions.

(a) *Access to the NSA headquarters:* means current and continuing daily access to those facilities making up the NSA headquarters.

(b) *Individual:* means a natural person who is a citizen of the United States or an alien lawfully admitted for permanent residence.

(c) *Request:* means a request in writing for records pertaining to the requester contained in a system of records and made pursuant to the Privacy Act or if no statute is identified considered by the Agency to be made pursuant to that Act.

(d) *System of Records:* means a grouping of records maintained by the Agency for which notice has been published in the FEDERAL REGISTER pursuant to section 552a(e)(4) of Title 5 U.S.C.

§ 322.3 Procedures for requests concerning individual records in a system of records.

(a)(1) *Notification.* Any individual may be notified in response to a request if any system of records contains a record pertaining to the requester by sending a request addressed to: Information Officer, National Security Agency, Fort George G. Meade, Maryland 20755. Such request shall be in writing, shall be identified on the envelope and the request as a ''Privacy Act Request,'' shall designate the system or systems of records using the names of the systems as published in the system notices, shall contain the full name, present address, date of birth, social security number and dates of affiliation or contact with NSA/CSS of the requester and shall be signed in full by the requester.

(2) A request pertaining to records concerning the requester which does not specify the Act pursuant to which the request is made shall be processed as a Privacy Act request. A request which does not designate the system or systems of records to be searched shall be processed by checking the following systems of records: Applicants; Personnel; Health, Medical and Safety.

(b)(1) *Identification.* Any individual currently not authorized access to the National Security Agency headquarters who requests disclosure of records shall provide the following information with the written request for disclosure: full name, present address, date of birth, social security number, and date of first affiliation or contact with NSA/CSS and date of last affiliation or contact with NSA/CSS.

(2) Any individual currently authorized access to the National Security Agency headquarters shall provide the following information with the request for notification: full name, present organizational assignment, date of birth, social security number.

(3) Such request shall be treated as a certification of the requester that the requester is the individual named. Individuals should be aware that the Privacy Act provides criminal penalties for any person who knowingly and willfully requests or obtains any rec- ords concerning an individual under false pretenses.

§ 322.4 Times, places and procedures for disclosures.

(a) Individual not currently affiliated with NSA:

(1) *Request procedure.* Any individual currently not authorized access to the

National Security Agency headquarters shall make the request for notification in writing and shall include the required identifying data. Upon verification of the existence in systems of records pertaining to the requester, a copy of the records located shall be mailed to the requester subject to appropriate specific exemptions, applicable Public Laws, special procedures pertaining to medical rec- ords, including psychological records, and the exclusion for information compiled in reasonable anticipation of a civil action or proceeding. If the request cannot be processed within ten working days from the time of receipt of the request, an acknowledgment of receipt of the request will be sent to the requester.

(2) *Appointment of other individual.* If a requester wishes another individual to obtain the requested records on his behalf, the requester shall provide a written, signed, notarized statement appointing that individual as his representative, certifying that the individual appointed may have access to the records of the requester and that such access shall not constitute an invasion of the privacy of the requester nor a violation of his rights under the Privacy Act of 1974.

(b) *Individual currently affiliated with NSA*—(1) *Request procedure.* Any individual currently authorized access to the National Security Agency headquarters may make the request for notification to the appropriate official delegated responsibility for a system of records pursuant to internal agency regulations pertaining to the Privacy Act of 1974. In the alternative, such individual may direct the request to the NSA Information Officer in writing in the same form and including the data required in §322.4(a)(1) above. In the case of any denial of notification by officials delegated responsibility for a system the request shall be referred to the NSA Information Officer for review.

(2) *Appointment of other individual.* If the requester makes a request pursuant to this paragraph and wishes to designate another individual to accompany him, the same procedures as provided in paragraph (a)(2) of this section apply. If the individual appointed is currently authorized access to the National Security Agency headquarters, he may accompany the requester. If the individual appointed is not currently authorized access, a copy of the records located may be mailed to the appointed individual subject to appropriate specific exemptions, applicable Public Laws, special procedures pertaining to medical records including psychological records, and the exclusion for information compiled in reasonable anticipation of a civil action or proceeding.

[40 FR 44294, Sept. 25, 1975. Redesignated at 56 FR 55631, Oct. 29, 1991, as amended at 56 FR 57803, Nov. 14, 1991]

§322.5 Medical or psychological records.

If the request includes records of a medical or psychological nature, and if an Agency doctor makes the determination that the records requested contain information which would have an adverse effect upon the requester, the requester will be advised to appoint a medical doctor in the appropriate discipline to receive the information. The appointment of the doctor shall be in the same form as that indicated in §322.4(a)(2) and shall include a certification that the doctor appointed is authorized to practice the appropriate specialty by virtue of a license to practice same in the state which granted the license.

[40 FR 44294, Sept. 25, 1975. Redesignated at 56 FR 55631, Oct. 29, 1991, as amended at 56 FR 57803, Nov. 14, 1991]

§322.6 Parents or legal guardians acting on behalf of minor applicants and employees.

Parents or legal guardians acting on behalf of minors who request records concerning NSA/CSS applicants or employees who are minors shall be subject to the same requirements contained in §322.4(a)(1) appointment of other individuals, including the requirement for written authorization. Requests by parents or legal guardians acting on behalf of minors will be processed in the same manner and in accordance with the procedures established herein

for individuals not currently authorized access to the NSA headquarters.

[40 FR 44294, Sept. 25, 1975. Redesignated at 56 FR 55631, Oct. 29, 1991, as amended at 56 FR 57803, Nov. 14, 1991]

§ 322.7 Procedures for amendment.

(a) *Request procedure.* Any request for amendment of a record or records contained in a system of records shall be in writing addressed to the Information Officer, National Security Agency, Fort George G. Meade, Md. 20755, Attention: Privacy Act Amendment, and shall contain sufficient details concerning the requested amendment, justification for the amendment, and a copy of the record(s) to be amended or sufficient identifying data concerning the affected record(s) to permit its timely retrieval. Such requests may not be used to accomplish actions for which other procedures have been established such as grievances, performance appraisal protests, etc. In such cases the requester will be advised of the appropriate procedures for such actions.

(b) *Initial determination:* The NSA Information Officer may make an initial determination concerning the requested amendment within ten working days or shall acknowledge receipt of the amendment request within that period if a determination cannot be completed. The determination shall advise the requester of action taken to make the requested amendment or inform the requester of the rejection of the request, the reason(s) for the rejection and the procedures established by the Agency for review of rejected amendment requests.

(c) *Request on appeal:* A requester may appeal the rejection by the NSA Information Officer of a request for amendment to the Executive for Staff Services. Such appeal shall be in writing, addressed to the Executive for Staff Services, National Security Agency, Fort George G. Meade, Md. 20755, Attention: Privacy Act Amendment Appeal.

§ 322.8 Appeal determination.

The Executive for Staff Services shall acknowledge receipt of the appeal within ten working days. A determination concerning the appeal shall be provided to the requester within 30 working days, unless the Director, National Security Agency, extends the period for good cause. The Executive for Staff Services shall advise the requester of the action taken to make the requested amendment or inform the requester of the rejection of the appeal, the right to submit for incorporation in the file containing the disputed record(s) a concise statement of disagreement, and notify the requester of the right of judicial review of the denial pursuant to subsection (g)(1)(A) of 5 U.S.C. 552a.

§ 322.9 Fees.

A fee may be charged for the reproduction of copies of any requested records, provided one copy is made available without charge where access is limited to mail service only. Fees shall be charged in accordance with The Uniform Schedule of Fees established by the Department of Defense pursuant to Pub. L. 93–502.

§ 322.10 Specific exemptions.

(a)(1) The following National Security Agency systems of records, published in the FEDERAL REGISTER, are specifically exempted from the provisions of 5 U.S.C. 552a, subsections (c)(3), (d), (e)(1), (e)(4)(G), (e)(4)(H), (e)(4)(I) and (f) pursuant to subsection (k) of section 552a to the extent that each system contains individual records or files within the category or categories provided by subsection (k). Notice is hereby given that individual records and files within each NSA system of records may be subject to specific provisions of Pub. L. 86–36, Pub. L. 88–290 and Title 18 U.S.C. 798 and other laws limiting access to certain types of information or application of laws to certain categories of information.

(2) In addition, those records maintained pursuant to notice of systems of records published by the CSC are exempted pursuant to Title 5 U.S.C. 552a(k)(1) to the extent that they contain classified information in order to protect such information from unauthorized disclosure. Such records may also be subject to other specific exemptions pursuant to rules promulgated by the CSC.

(b) Systems of records subject to specific exemptions:

(1) *System name:* NSA/CSS Access, Authority and Release of Information File.

Exemption: This system of records is exempted from the sections of title 5 U.S.C. 552a cited in paragraph 322.10(a) and is subject to the limitations noted in that paragraph.

Authority: 5 U.S.C. 552a(k)(1), (k)(5)

Reasons: This system of records is exempted from all subsections cited pursuant to exemption (k)(1) to protect from unauthorized disclosure classified information which may be contained in records and files making up the system. The exemption does not limit access to that portion of the rec- ords in the system which are not classified or otherwise protected from unauthorized disclosure.

This system of records is also exempted from all subsections cited pursuant to exemption (k)(5) to protect the identity of confidential sources of information constituting investigatory material compiled solely for the purpose of determining access to classified information. The exemption does not limit access to that portion of the records in the system which are not exempted, not otherwise protected from unauthorized disclosure, and which would not undermine the integrity of the controlled access system.

(2) *System name:* NSA/CSS Applicants

Exemption: This system of records is exempted from the sections of Title 5 U.S.C. 552a cited in paragraph 322.10(a) and is subject to the limitations noted in that paragraph.

Authority: 5 U.S.C. 552a(k)(1), (k)(5)

Reasons: This system of records is exempted from all subsections cited pursuant to exemption (k)(1) to protect from unauthorized disclosure classified information which may be contained in records and files making up the system. The exemption does not limit access to that portion of the rec- ords in the system which are not classified or otherwise protected from unauthorized disclosure.

This system of records is also exempted from all subsections cited pursuant to exemption (k)(5) to protect the identity of confidential sources of information constituting investigatory material compiled solely for the purposes of determining suitability; eligibility; qualifications for Federal civilian employment; Federal contracts; or access to classified information which may be contained in records and files making up the system. The exemption does not limit access to that portion of the records in the system which are not subject to this exemption, nor otherwise protected from unauthorized disclosure.

(3) *System name:* NSA/CSS Correspondence, Cases, Complaints, Visitors, Requests

Exemption: This system of records is exempted from the sections of Title 5 U.S.C. 552a cited in § 322.10(a) and is subject to the limitations noted in that paragraph.

Authority: 5 U.S.C. 552a(k)(1), (k)(2), (k)(4), (k)(5)

Reasons: This system of records is exempted from all subsections cited pursuant to exemption (k)(1) to protect from unauthorized disclosure classified information which may be contained in records and files making up the system. The exemption does not limit access to that portion of the rec- ords in the system which are not classified or otherwise protected from unauthorized disclosure.

This system of records is exempted from all subsections cited pursuant to exemption (k)(2) to protect from unauthorized disclosure individual records and files which constitute investigatory material compiled for law enforcement purposes pursuant to a lawful national security intelligence investigation and maintain the integrity of the personnel security system required by Pub. L. 88–290. The exemption does not limit access to that portion of the records in the system which are not investigatory material which are not exempted or otherwise protected from unauthorized disclosure.

This system is exempted from all subsections cited pursuant to exemption (k)(4) where individual records and files are maintained and used solely for statistical records in accordance with statutory requirements to insure compliance with those requirements with a minimum of administrative burden and expense.

This system is exempted from all subsections cited pursuant to exemption (k)(5) to protect the identity of confidential sources of information constituting investigatory material compiled solely for the purpose of determining suitability; eligibility; qualifications for Federal civilian employment, Federal contracts; or access to classified information which may be contained in records and files making up the system. The exemption does not limit access to that portion of the records in the system which are not subject to this exemption or otherwise protected from unauthorized disclosure.

(4) *System name:* NSA/CSS Cryptologic Reserve Mobilization Designee List

Exemption: This system of records is exempted from the sections of Title 5 U.S.C. 552a cited in § 322.10(a) and is subject to the limitations noted in that paragraph.

Authority: 5 U.S.C. 552a (k) (1), (k) (5)

Reasons: This system of records is exempted from all subsections cited pursuant to exemption (k)(1) to prevent the unauthorized disclosure of classified information concerning anticipated personnel assignments to sensitive cryptologic positions during periods of national emergency or war requiring reserve mobilization.

This system of records is also exempted from all subsections cited pursuant to exemption (k)(5) to protect the identity of confidential sources of information constituting

investigatory material compiled solely for the purpose of determining suitability, eligibility or qualifications for designation for mobilization to fill a sensitive cryptologic position or access to classified material as a result of designation for mobilization.

(5) *System name:* NSA/CSS Equal Employment Opportunity Data

Exemption: This system of records is exempted from the sections of Title 5 U.S.C. 552a cited in §322.10(a) and is subject to the limitations noted in that paragraph.

Authority: 5 U.S.C. 552a(k) (1), (k) (2), (4)

Reasons: This system of records is exempted from all subsections cited pursuant to exemption (k)(1) to protect from unauthorized disclosure classified information which may be contained in records and files making up the system. The exemption does not limit access to that portion of the rec- ords in the system which are not classified or otherwise protected from unauthorized disclosure.

This system of records is exempted from all subsections cited pursuant to exemption (k)(4) to protect the integrity of those statistical records compiled for Equal Employment Opportunity purposes.

This system of records is also exempted from all subsections cited pursuant to exemption (k)(2) to the extent that individual records and files are related to investigations to enforce the provisions of Pub. L. 92–261 and consistent with the provisions of that statute with respect to individual access to such records. The purpose of the exemption is to protect the integrity of investigations conducted pursuant to Pub. L. 92–261.

(6) *System name:* NSA/CSS Health, Medical and Safety Files

Exemption: This system of records is exempted from sections of Title 5 U.S.C. 552a cited in §322.10(a) and is subject to the statutory limitations noted in that paragraph.

Authority: 5 U.S.C. 552a(k) (1), (k) (5), (k) (6).

Reasons: This system of records is exempted from all subsections cited pursuant to exemption (k)(1) to protect from unauthorized disclosure classified information which may be contained in records and files making up the system. The exemption does not limit access to that portion of the rec- ords in the system which are not classified or otherwise protected from unauthorized disclosure.

This system of records is exempted from all subsections cited pursuant to exemption (k)(5) to protect the identity of confidential sources of information constituting investigatory material compiled solely for the purpose of determining suitability, eligibility, or qualifications for Federal civilian employment, Federal contracts or access to classified information. The exemption does not limit access to that portion of the records in the system which are not exempted or otherwise protected from unauthorized disclosure.

This system of records is also exempted from all subsections cited pursuant to exemption (k)(6) to protect those testing or examination materials used solely to determine individual qualifications for employment in the Federal service the disclosure of which would compromise the objectivity or fairness of the testing or examination process.

(7) *System name:* NSA/CSS Motor Vehicles and Carpools

Exemption: This system of records is exempted from the sections of Title 5 U.S.C. 552a cited in §322.10(a) and is subject to the statutory limitations noted in that paragraph.

Authority: 5 U.S.C. 552a(k)(1)

Reasons: This system of records is exempted from all subsections cited pursuant to exemption (k)(1) to protect from unauthorized disclosure any and all classified information which may be contained in records and files making up the system. The exemption does not limit access to that portion of the of the records in the system which are not classified or otherwise protected from unauthorized disclosure.

(8) *System name:* NSA/CSS Payroll and Claims

Exemption: This system of records is exempted from the sections of Title 5 U.S.C. 552a cited in §322.10(a) and is subject to the statutory limitations noted in that paragraph.

Authority: 5 U.S.C. 552a(k) (1), (k) (2)

Reasons: This system of records is exempted from all subsections cited pursuant to exemption (k)(1) to protect from unauthorized disclosure classified information which may be contained in records and files making up this system. The exemption does not limit access to that portion of the records in the system which are not classified or otherwise protected from unauthorized disclosure.

This system of records is also exempted from all subsections cited pursuant to exemption (k)(2) to protect investigatory materials related to the enforcement of laws with respect to claims against the Government. The exemption does not limit access to that portion of the records in the system not related to investigations of claims or otherwise protected from unauthorized disclosure.

(9) *System name:* NSA/CSS Personnel File

Exemption: This system of records is exempted from the sections of Title 5 U.S.C. 552a cited in §322.10(a) and is subject to the statutory limitations noted in that paragraph.

Authority: 5 U.S.C. 552a(k) (1), (k) (5), (k) (6)

Reasons: This system of records is exempted from all subsections cited pursuant to exemption (k)(1) to protect from unauthorized disclosure classified information which may be contained in records and files making up

the system. The exemption does not limit access to that portion of the rec- ords in the system which are not classified or otherwise protected from unauthorized disclosure.

This system of records is exempted from all subsections cited pursuant to exemption (k)(5) to protect the identity of confidential sources of information constituting investigatory material compiled solely for the purpose of determining suitability, eligibility, or qualifications for Federal civilian employment, Federal contracts or access to classified information. The exemption does not limit access to that portion of the records in the system which are not exempted or otherwise protected from unauthorized disclosure.

This system of records is also exempted from all subsections cited pursuant to exemption (k)(6) to protect those testing or examination materials used solely to determine individual qualifications for employment in the Federal service the disclosure of which would compromise the objectivity or fairness of the testing or examination process.

(10) *System name:* NSA/CSS Personnel Security File

Exemption: This system of records is exempted from the sections of Title 5 U.S.C. 552a cited in §322.10(a) and is subject to the limitations noted in that paragraph.

AUTHORITY: 5 U.S.C. 552a (k)(1), (k)(2), (k)(5), and (k)(6)

Reasons: This system of records is exempted from all subsections cited pursuant to exemption (k)(1) to protect from unauthorized disclosure classified information which may be contained in records and files making up the system. The exemption does not limit access to that portion of the rec- ords in the system which are not classified or otherwise protected from unauthorized disclosure.

This system of records is exempted from all subsections cited pursuant to exemption (k)(2) to protect investigatory materials compiled for purposes of enforcement of Pub. L. 88–290 and title 18 U.S.C. 798 as well as other appropriate criminal and civil laws related to the protection of sensitive cryptologic information. Both statutes cited require the Director, NSA, to observe special procedures and standards in permitting access to sensitive cryptologic information and provide statutory authority to act when those standards are breached. The materials contained in this system are of an investigatory nature, are maintained on a continuing basis and are used to insure compliance with and enforcement of the cited statutes.

This system of records is exempted from all subsections cited pursuant to exemption (k)(5) to protect the identity of confidential sources of information constituting investigatory material compiled solely for the purpose of determining suitability, eligibility, or qualifications for Federal civilian employment, Federal contracts or access to classified information. The exemption does not limit access to that portion of the records in the system which are not exempted or otherwise protected from unauthorized disclosure.

This system of records is exempted from all subsections cited pursuant to exemption (k)(6) to protect testing or examination materials and procedures, the disclosure of which would compromise the objectivity or fairness of the testing or examination process.

(11) *System name:* NSA/CSS Time, Attendance, and Absence

Exemption: This system of records is exempted from the sections of Title 5 U.S.C. 552a cited in §322.10(a) and is subject to the limitations noted in that paragraph.

Authority: 5 U.S.C. 552a(k)(1)

Reasons: This system of records is exempted from all subsections cited pursuant to exemption (k)(1) to protect from unauthorized disclosure classified information which may be contained in records and files making up the system. The exemption does not limit access to that portion of the rec- ords in the system which are not classified or otherwise protected from unauthorized disclosure.

(12) *System name:* NSA/CSS Training

Exemption: This system of records is exempted from the sections of Title 5 U.S.C. 552a cited in §322.10(a) and is subject to the limitations noted in that paragraph.

Authority: 5 U.S.C. 552a (k)(1), (k)(5), (k)(6).

Reasons: This system of records is exempted from all subsections cited pursuant to exemption (k)(1) to protect from unauthorized disclosure classified information which may be contained in records and files making up the system. The exemption does not limit access to that portion of the records in the system which are not classified or otherwise protected from unauthorized disclosure.

This system of records is exempted from all subsections cited pursuant to exemption (k)(5) to protect the identity of confidential sources of information constituting investigatory material compiled solely for the purpose of determining suitability, eligibility, or qualifications for Federal civilian employment, Federal contracts or access to classified information. The exemption does not limit access to that portion of the records in the system which are not exempted or otherwise protected from unauthorized disclosure.

This system of records is also exempted from all subsections cited pursuant to exemption (k)(6) to protect those testing or examination materials used solely to determine individual qualifications for employment in the Federal service the disclosure of which would compromise the objectivity or fairness of the testing or examination process.

(13) *System name:* NSA/CSS Archival Records.

Exemption: This system is exempted from the sections of Title 5 U.S.C. 552a cited in § 322.10(a) and is subject to the statutory limitations noted in that paragraph.

Authority: 5 U.S.C. 552a(k)(1) and (k)(4).

Reasons: This system of records is exempted from all subsections cited pursuant to exemption (k)(1) to protect from unauthorized disclosure classified information which may be contained in records and files making up the system. The exemption does not limit access to that portion of the rec- ords in the system which are not classified or otherwise protected from unauthorized disclosure.

This system is exempted from all subsections cited pursuant to exemption (k)(4) where individual records and files are maintained and used solely for statistical compliance with those requirements with a minimum of administrative burden and expense.

(14) *System Identification and Name*—GNSA14, entitled ''NSA/CSS Library Patron File Control System''.

Exemption—Portions of this system which fall within 5 U.S.C. 552a (k)(1) and (k)(4) are exempt from the following provisions of 5 U.S.C. 552a, sections (c)(3), (d) (1)–(5), (e)(1), (e)(4) (G)–(I), and (f) (1)–(5).

Authority—5 U.S.C. 552a (k)(1) and (k)(4).

Reasons—This record system is exempted from all subsections pursuant to exemption (k)(1) to protect from unauthorized disclosure classified information which may be contained in records and files making up the system. The exemption does not limit access to that portion of the records in the system which are not classified or otherwise protected from unauthorized disclosure.

This record system is exempted from all subsections pursuant to exemption (k)(4) to protect from unauthorized disclosure records maintained for statistical research or program evaluation. The exemption does not limit access to that portion of the records in the system which are not classified or otherwise protected from unauthorized disclosure.

(15) *System Identification and Name*—GNSA15, entitled ''NSA/CSS Computer Users Control System''.

Exemption—Portions of this system which fall within 5 U.S.C. 552a (k)(1) and (k)(2) are exempt from the following provisions of 5 U.S.C. 552a, sections (c)(3), (d) (1)–(5), (e)(1), (e)(4) (G)–(I), and (f) (1)–(5).

Authority—5 U.S.C. 552a (k)(1) and (k)(2).

Reasons—This system of records is exempted from all subsections pursuant to exemption (k)(1) to protect from unauthorized disclosure classified information which may be contained in records and files making up the system. The exemption does not limit access to that portion of the records in the system which are not classified or otherwise protected from unauthorized disclosure.

This system of records is exempted from all subsections cited pursuant to exemption (k)(2) to the extent that individual records and files are related to investigations to enforce the provisions of Pub. L. 88–290 and consistent with the provisions of that statute with respect to individual access to such records. The purpose of the exemption is to protect the integrity of investigations conducted pursuant to Pub. L. 88–290.

(16) *System Identification and Name*—GNSA16, entitled ''NSA/CSS Drug Testing Program''.

Exemption—Portions of this system which fall within 5 U.S.C. 552a(k)(1) are exempt from the following provisions of 5 U.S.C. 552a, sections (c)(3), (d) (1)–(5), (e)(1), (e)(4) (G)–(I), and (f) (1)–(5).

Authority—5 U.S.C. 552a(k)(1).

Reasons—This system of records is exempted from all subsections cited pursuant to exemption (k)(1) to protect from unauthorized disclosure classified information which may be contained in records and files making up the system.

(17) *System Identification and Name*—GNSA17, entitled ''Employee Assistance Service (EAS) Case Record System''.

Exemption—Portions of this system which fall within 5 U.S.C. 552a (k)(1), (k)(2), (k)(4) and (k)(5) are exempt from the following provisions of 5 U.S.C. 552a, sections (c)(3), (d) (1)–(5), (e)(1), (e)(4) (G)–(I), and (f) (1)–(5).

Authority—5 U.S.C. 552a (k)(1), (k)(2), (k)(4), and (k)(5).

Reasons—This system of records is exempted from all subsections cited pursuant to exemption (k)(1) to protect from unauthorized disclosure classified information which may be contained in records and files making up the system.

This system of records is exempted from all subsections cited pursuant to exemption (k)(2) to the extent that individual records and files are related to investigations to enforce the provisions of Public Law 92–261 and consistent with the provisions of that statute with respect to individual access to such records. The purpose of the exemption is to protect the integrity of investigations conducted pursuant to Public Law 92–261.

This record system is exempted from all subsections pursuant to exemption (k)(4) to protect from unauthorized disclosure records maintained for statistical research or program evaluation. The exemption does not limit access to that portion of the records in the system which are not classified or otherwise protected from unauthorized disclosure.

This system of records is also exempted from all subsections cited pursuant to exemption (k)(5) to protect the identity of confidential sources of information constituting investigatory material compiled solely for the purpose of determining suitability, eligibility, or qualifications for federal civilian employment, federal contracts, or access to

classified information. The exemption does not limit access to that portion of the records in the system which are not exempted or otherwise protected from unauthorized disclosure.

(18) *System identification and name*—GNSA18, NSA/CSS Operations Files.

Exemption—Portions of this record system may be exempted from subsections of 5 U.S.C. 552a (c)(3), (d)(1)—(5), (e)(4)(G)—(I), and (f)(1)—(5).

Authority—5 U.S.C. 552a(k) (1), (2) and (5).

Reasons—Subsection (c)(3) because there may be occasions when making an accounting available to the individual named in the record at his or her request, would reveal classified information. The release of accounting of disclosure would inform a subject that he or she is under investigation. This information would provide considerable advantage to the subject in providing him or her with knowledge concerning the nature of the investigation and the coordinated investigative efforts and techniques employed by the cooperating agencies.

Subsection (d) because granting access and/or subsequent amendment to the record would reveal classified information. It may also alert a subject to the fact that an investigation of that individual is taking place, and might weaken the on-going investigation, reveal investigatory techniques, and place confidential informants in jeopardy. NSA/CSS may refuse to confirm or deny the existence of a particular record because to do so would reveal classified information.

Subsection (e)(4)(G), (e)(4)(H), and (e)(4)(I). Although NSA/CSS has published procedures whereby an individual can be notified if a particular record system contains information about themselves; how to gain access to that information; and the source of the information, there may be occasions when confirming that a record exists, granting access, or giving out the source of the information would reveal classified information.

Subsection (f) because the agency's rules are inapplicable to those portions of the system that are exempt and would place the burden on the agency of either confirming or denying the existence of a record pertaining to a requesting individual. The confirming or denying might, in itself, provide an answer to that individual relating to an on-going criminal investigation. The conduct of a successful investigation leading to the indictment of a criminal offender precludes the applicability of established agency rules relating to verification of record, disclosure of the record to that individual, and record amendment procedures for this record system. Also, because this record system is exempt from the individual access provisions of subsection (d).

[40 FR 44294, Sept. 25, 1975, as amended at 45 FR 80106, Dec. 3, 1980; 52 FR 41711, Oct. 30, 1987; 55 FR 34907, Aug. 27, 1990; 56 FR 16007, Apr. 19, 1991. Redesignated at 56 FR 55631, Oct. 29, 1991, as amended at 56 FR 57803, Nov. 14, 1991]

PART 323—DEFENSE LOGISTICS AGENCY PRIVACY PROGRAM

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AUTHORITY: Privacy Act of 1974, Pub. L. 93–579, Stat. 1896 (5 U.S.C. 552a).

SOURCE: DLAR 5400.21, 51 FR 33595, Sept. 22, 1986, unless otherwise noted. Redesignated at 56 FR 57803, Nov. 14, 1991.

§323.1 Purpose and scope.

This part 323 implements the Privacy Act of 1974 (5 U.S.C. 552a) and DoD Directive and DoD Regulation 5400.11, Department of Defense Privacy Program (32 CFR part 286a). It applies to Headquarters, Defense Logistics Agency (HQ DLA) and all DLA field activities.

§323.2 Policy.

It is the policy of DLA to safeguard personal information contained in any system of records maintained by DLA activities and to make that information available to the individual to whom it pertains to the maximum extent practicable. DLA policy specifically requires that DLA activities:

(a) Collect, maintain, use, and disseminate personal information only when it is relevant and necessary to achieve a purpose required by statute or Executive Order.

(b) Collect personal information directly from the individuals to whom it pertains to the greatest extent practical.

(c) Inform individuals who are asked to supply personal information for inclusion in any system of records:

(1) The authority for the solicitation.

(2) Whether furnishing the information is mandatory or voluntary.

(3) The intended uses of the information.

(4) The routine disclosures of the information that may be made outside DoD.

(5) The effect on the individual of not providing all of any part of the requested information.

(d) Ensure that all records used in making determinations about individuals are accurate, relevant, timely, and complete.

(e) Make reasonable efforts to ensure that records containing personal information are accurate, relevant, timely, and complete for the purposes for which they are being maintained before making them available to any recipients outside DoD, other than a Federal agency, unless the disclosure is made under DLAR 5400.14, Availability to the Public of Official Information (32 CFR part 1285).

(f) Keep no record that describes how individuals exercise their rights guaranteed by the First Amendment of the U.S. Constitution, unless expressly authorized by statute or by the individual to whom the records pertain or is pertinent to and within the scope of an authorized law enforcement activity.

(g) Make reasonable efforts, when appropriate, to notify individuals whenever records pertaining to them are made available under compulsory legal process, if such process is a matter of public record.

(h) Establish safeguards to ensure the security of personal information and to protect this information from threats or hazards that might result in substantial harm, embarrassment, inconvenience, or unfairness to the individual.

(i) Establish rules of conduct for DoD personnel involved in the design, development, operation, or maintenance of any system of records and train them in these rules of conduct.

(j) Assist individuals in determining what records pertaining to them are being collected, maintained, used, or disseminated.

(k) Permit individual access to the information pertaining to them maintained in any system of records, and to correct or amend that information, unless an exemption for the system has been properly established for an important public purpose.

(l) Provide, on request, an accounting of all disclosures of the information pertaining to them except when disclosures are made:

(1) To DoD personnel in the course of their official duties.

(2) Under 32 CFR part 1285 (DLAR 5400.14).

(m) Advise individuals on their rights to appeal any refusal to grant access to or amend any record pertaining to them, and to file a statement of disagreement with the record in the event amendment is refused.

§ 323.3 Definitions.

(a) *Access.* The review of a record or a copy of a record or parts thereof in a system of records by any individual.

(b) *Agency.* For the purpose of disclosing records subject to the Privacy Act among DoD Components, the Department of Defense is considered a single agency. For all other purposes including applications for access and amendment, denial of access or amendment, appeals from denials, and recordkeeping as regards release to non-DoD agencies, DLA is considered an agency within the meaning of the Privacy Act.

(c) *Confidential source.* A person or organization who has furnished information to the Federal Government under an express promise that the person's or the organization's identity will be held in confidence or under an implied promise of such confidentiality if this implied promise was made before September 27, 1975.

(d) *Disclosure.* The transfer of any personal information from a system of records by any means of communication to any person, private entity, or

Government agency, other than the subject of the record, the subject's designated agent or the subject's legal guardian.

(e) *Individual.* A living citizen of the United States or an alien lawfully admitted to the United States for permanent residence. The legal guardian of an individual has the same rights as the individual and may act on his or her behalf.

(f) *Individual access.* Access to information pertaining to the individual by the individual or his or her designated agent or legal guardian.

(g) *Maintain.* Includes maintain, collect, use, or disseminate.

(h) *Member of the public.* Any individual or party acting in a private capacity to include Federal employees or military personnel.

(i) *Official use.* Within the context of this part, this term is used when officials and employees of a DLA activity have a demonstrated need for the use of any record or the information contained therein in the performance of their official duties.

(j) *Personal information.* Information about an individual that is intimate or private to the individual, as distinguished from information related solely to the individual's official functions or public life.

(k) *Privacy Act.* The Privacy Act of 1974, as amended, 5 U.S.C. 552a.

(l) *Privacy Act request.* A request from an individual for notification as to the existence of, access to, or amendment of records pertaining to that individual. These records must be maintained in a system of records. The request must indicate that it is being made under the Privacy Act to be considered a Privacy Act request.

(m) *Record.* Any item, collection, or grouping of information about an individual that is maintained by DLA, including, but not limited to, the individual's education, financial transactions, medical history, and criminal or employment history, and that contains the individual's name, or the identifying number, symbol, or other identifying particular assigned to the individual, such as a finger or voice print or a photograph.

(n) *Risk assessment.* An analysis considering information sensitivity, vulnerabilities, and the cost to a computer facility or word processing activity in safeguarding personal information processed or stored in the facility or activity.

(o) *Routine use.* The disclosure of a record outside DoD for a use that is compatible with the purpose for which the information was collected and maintained by DoD. The routine use must be included in the published system notice for the system of records involved.

(p) *Statistical record.* A record maintained only for statistical research or reporting purposes and not used in whole or in part in making determinations about specific individuals.

(q) *System of Records.* A group of records under the control of a DLA activity from which information is retrieved by the individual's name or by some identifying number, symbol, or other identifying particular assigned to the individual. System notices for all Privacy Act systems of records must be published in the FEDERAL REGISTER.

§323.4 Responsibilities.

(a) Headquarters Defense Logistics Agency.

(1) The Chief, Resources Management Division, Office of Administration (DLA–XA) will:

(i) Formulate policies, procedures, and standards necessary for uniform compliance with the Privacy Act by DLA activities.

(ii) Serve as the DLA Privacy Act Officer and DLA representative on the Defense Privacy Board.

(iii) Maintain a master registry of system notices published by DLA.

(iv) Develop or compile the rules, notices, and reports required under this part.

(2) The General Counsel, DLA (DLA–G) will:

(i) Serve as the appellate authority for denials of individual access and amendment of records.

(ii) Provide representation to the Defense Privacy Board Legal Committee.

(iii) Advise the Defense Privacy Office on the status of DLA privacy litigation.

(3) The Command Security Officer, Office of Command Security, DLA (DLA–T) will formulate and implement

protective standards for personal information maintained in automated data processing systems and facilities.

(b) The Heads of DLA Primary Level Field Activities (PLFAs) will:

(1) Ensure that the collection, maintenance, use, or dissemination of records of identifiable personal information is in a manner that assures that such action is for a necessary and lawful purpose; that the information is timely and accurate for its intended use; and that adequate safeguards are provided to prevent misuse of such information.

(2) Designate a Privacy Act Officer to serve as the principal point of contact on privacy matters.

(3) Ensure the internal operating procedures provide for effective compliance with the Privacy Act.

(4) Establish a training program for those personnel whose duties involve responsibilities for systems of records affected by the Privacy Act.

§ 323.5 Procedures.

(a) *Individual access.* (1) The access provisions of this part are intended for use by individuals whose records are maintained in systems of records. Release of personal information to individuals under this part is not considered public release of information.

(2) Individuals will address requests for access to personal information about themselves in a system of records to the system manager or to the office designated in the system notice. Before being granted access to personal data, an individual may be required to provide reasonable verification of his or her identity. Identity verification procedures will be simple so as not to discourage individuals from seeking access to information about themselves; or be required of an individual seeking access to records which normally would be available under 32 CFR part 1285 (DLAR 5400.14).

(i) Normally, when individuals seek personal access to records pertaining to themselves, identification will be made from documents that normally are readily available, such as employee and military identification cards, driver's license, other licenses, permits, or passes used for routine identification purposes.

(ii) When access is requested by mail, identity verification may consist of the individual providing certain minimum identifying data, such as full name, date and place of birth, or such other personal information necessary to locate the record sought. If the information sought is sensitive, additional identifying data may be required. If notarization of requests is required, procedures will be established for an alternate method of verification for individuals who do not have access to notary services, such as military members overseas.

(3) If an individual wishes to be accompanied by a third party when seeking access to his or her records or to have the records released directly to a third party, the individual may be required to furnish a signed access authorization granting the third party access. An individual will not be refused access to his or her record solely for failure to divulge his or her social security number (SSN) unless it is the only method by which retrieval can be made. The individual is not required to explain or justify his or her need for access to any record under this part.

(4) Disclose medical records to the individual to whom they pertain, even if a minor, unless a judgment is made that access to such records could have an adverse effect on the mental or physical health of the individual. Normally, this determination will be made in consultation with a medical doctor. If it is determined that the release of the medical information may be harmful to the mental or physical health of the individual, send the record to a physician named by the individual and in the transmittal letter to the physician, explain why access by the individual without proper professional supervision could be harmful (unless it is obvious from the record). Do not require the physician to request the records for the individual. If the individual refuses or fails to designate a physician, the record will not be provided. Such refusal of access is not considered a denial for reporting purposes.

(5) Requests by individuals for access to investigatory records pertaining to themselves and compiled for law enforcement purposes are processed under this part or 32 CFR part 1285 depending

on which part gives them the greatest degree of access.

(6) Certain documents under the physical control of DoD personnel and used to assist them in performing official functions, are not considered ''agency records'' within the meaning of this part. Uncirculated personal notes and records that are not disseminated or circulated to any person or organization (for example, personal telephone lists or memory aids) that are retained or discarded at the author's discretion and over which DLA exercises no direct control, are not considered agency records. However, if personnel are officially directed or encouraged, either in writing or orally, to maintain such records, they may become ''agency records,'' and may be subject to the Privacy Act of 1974 (5 U.S.C. 552a) and this part.

(7) Acknowledge requests for access within 10 working days after receipt and provide access within 30 working days.

(b) *Denial of individual access.* (1) Individuals may be formally denied access to a record pertaining to them only if the record was compiled in reasonable anticipation of civil action; is in a system of records that has been exempted from the access provisions of this part under one of the permitted exemptions; contains classified information that has been exempted from the access provision of this part under the blanket exemption for such material claimed for all DoD records systems; or is contained in a system of records for which access may be denied under some other Federal statute. Only deny the individual access to those portions of the records from which the denial of access serves some legitimate Governmental purpose.

(2) An individual may be refused access if the record is not described well enough to enable it to be located with a reasonable amount of effort on the part of an employee familiar with the file; or access is sought by an individual who fails or refuses to comply with the established procedural requirements, including refusing to name a physician to receive medical records when required or to pay fees. Always explain to the individual the specific reason access has been refused and how he or she may obtain access.

(3) Formal denials of access must be in writing and include as a minimum:

(i) The name, title or position, and signature of the appropriate Head of the HQ DLA principal staff element or primary level field activity.

(ii) The date of the denial.

(iii) The specific reason for the denial, including specific citation to the appropriate sections of the Privacy Act of 1974 (5 U.S.C. 552a) or other statutes, this part, or DLAR 5400.21 authorizing the denial.

(iv) Notice to the individual of his or her right to appeal the denial within 60 calendar days.

(v) The title or position and address of the Privacy Act appeals official, DLA–G, Cameron Station, Alexandria, VA 22304–6100.

(4) The individual will file any appeals from denial of access within 60 calendar days of receipt of the denial notification. DLA–G will process all appeals within 30 days of receipt unless a fair and equitable review cannot be made within that period. The written appeal notification granting or denying access is the final DLA action on access.

(5) The records in all systems of records maintained in accordance with the Office of Personnel Management (OPM) Government-wide system notices are technically only in the temporary custody of DLA. All requests for access to these records must be processed in accordance with the Federal Personnel Manual (5 CFR parts 293, 294, 297 and 735) as well as this part. DLA–G is responsible for the appellate review of denial of access to such records.

(c) *Amendment of records.* (1) Individuals are encouraged to review the personal information being maintained about them by DLA and to avail themselves of the procedures established by this part to update their records. An individual may request the amendment of any record contained in a system of records pertaining to him or her unless the system of record has been exempted specifically from the amendment procedures of this part. Normally, amendments under this part are limited to correcting factual matters and not matters of official judgment, such

as performance ratings promotion potential, and job performance appraisals.

(2) The applicant must adequately support his or her claim and may be required to provide identification to ensure that they are indeed seeking to amend a record pertaining to themselves and not, inadvertently or intentionally, the record of others. Consider the following factors when evaluating the sufficiency of a request to amend:

(i) The accuracy of the information itself.

(ii) The relevancy, timeliness, completeness, and necessity of the recorded information for accomplishing an assigned mission or purpose.

(3) Provide written acknowledgement of a request to amend within 10 working days of its receipt by the appropriate systems manager. There is no need to acknowledge a request if the action is completed within 10 working days and the individual is so informed. The letter of acknowledgement shall clearly identify the request and advise the individual when he or she may expect to be notified of the completed action. Only under the most exceptional circumstances will more than 30 days be required to reach a decision on a request to amend.

(4) If the decision is made to grant all or part of the request for amendment, amend the record accordingly and notify the requester. Notify all previous recipients of the information, as reflected in the disclosure accounting records, that an amendment has been made and the substance of the amendment. Recipients who are known to be no longer retaining the information need not be advised of the amendment. All DoD Components and Federal agencies known to be retaining the record or information, even if not reflected in disclosure records, will be notified of the amendment. Advise the requester of these notifications, and honor all requests by the requester to notify specific Federal agencies of the amendment action.

(5) If the request for amendment is denied in whole or in part, promptly advise the individual in writing of the decision to include:

(i) The specific reason and authority for not amending.

(ii) Notification that he or she may seek further independent review of the decision by the Office of General Counsel, DLA (DLA–G).

(6) Individual appeals of amendment denials must be submitted to the Office of General Counsel, DLA (DLA–G), Cameron Station, Alexandria, Virginia, 22304–6100 with all supporting materials. DLA–G will process all appeals within 30 days unless a fair review cannot be made within this time limit.

(i) If the appeal is granted, DLA–G will promptly notify the requester and system manager of the decision. The system manager will amend the record(s) as directed and ensure that all prior known recipients of the records who are known to be retaining the record are notifed of the decision and the specific nature of the amendment and that the requester is notified as to which DoD Components and Federal agencies have been told of the amendment.

(ii) If the appeal is denied completely or in part, the individual is notified in writing by the reviewing official that:

(A) The appeal has been denied and the specific reason and authority for the denial.

(B) The individual may file a statement of disagreement with the appropriate authority and the procedures for filing this statement.

(C) If filed properly, the statement of disagreement shall be included in the records, furnished to all future recipients of the records, and provided to all prior recipients of the disputed records who are known to hold the record.

(D) The individual may seek a judicial review of the decision not to amend.

(7) The records in all systems of records controlled by the Office of Personnel Management (OPM) Government-wide system notices are technically only temporarily in the custody of DLA. All requests for amendment of these records must be processed in accordance with the Federal Personnel Manual (FPM). A DLA denial authority may deny a request. However, the appeal process for all such denials must include a review by the Assistant Director for Agency Compliance and

Evaluation, Office of Personnel Management, 1900 E Street, NW., Washington, DC 20415. When an appeal is received from a DLA denial of amendment of the OPM controlled record, process the appeal in accordance with the FPM and notify the OPM appeal authority listed above. The individual may appeal any DLA decision not to amend the OPM records directly to OPM. OPM is the final review authority for any appeal from a denial to amend the OPM records.

(8) If the reviewing authority refuses to amend the record as requested, the individual may submit a concise statement of disagreement setting forth his or her reasons for disagreeing with the decision not to amend.

(i) If an individual chooses to file a statement of disagreement, annotate the record to indicate that the statement has been filed. Furnish copies of the statement of disagreement to all DoD Components and Federal agencies that have been provided copies of the disputed information and who may be maintaining the information.

(ii) When possible, incorporate the statement of disagreement into the record. If the statement cannot be made a part of the record, establish procedures to ensure that it is apparent from the records that a statement of disagreement has been filed and maintain the statement so that it can be obtained readily when the disputed information is used or disclosed. Automated record systems that are not programmed to accept statements of disagreement shall be annotated or coded so that they clearly indicate that a statement of disagreement is on file, and clearly identify the statement with the disputed information in the system. Provide a copy of the statement of disagreement whenever the disputed information is disclosed for any purpose.

(9) A summary of reasons for refusing to amend may be included with any record for which a statement of disagreement is filed. Include in this summary only the reasons furnished to the individual for not amending the record. Do not include comments on the statement of disagreement. Normally, the summary and statement of disagreement are filed together. When disclosing information for which a summary has been filed, a copy of the summary may be included in the release, if desired.

(d) *Documentation.* Establish a separate Privacy Case File to retain the documentation received and generated during the amendment or access process. There is no need to establish a Privacy Case File if the individual has not cited the Privacy Act or this part. Privacy Case Files shall not be furnished or disclosed to anyone for use in making any determination about the individual other than determinations made under this part. Only the items listed below may be included in the system of records challenged for amendment or for which access is sought. Do not retain copies of unamended records in the basis record system if the request for amendment is granted.

(1) The following items relating to an amendment request may be included in the disputed record system:

(i) Copies of the amended record.

(ii) Copies of the individual's statement of disagreement.

(iii) Copies of activity summaries.

(iv) Supporting documentation submitted by the individual.

(2) The following items relating to an access request may be included in the basic records system:

(i) Copies of the request.

(ii) Copies of the activity action granting total access. (Note: A separate Privacy Case File need not be created in such cases.)

(iii) Copies of the activity action denying access.

(iv) Copies of any appeals filed.

(v) Copies of the reply to the appeal.

(e) *Fees.* An individual may be charged only for the direct cost of copying and reproduction, computed using the appropriate portions of the fee schedule in DLAR 5400.14 (32 CFR part 1285) under the provisions of this part. Normally, fees are waived automatically if the direct costs of a given request is less than $30. This fee waiver provision does not apply when a waiver has been granted to the individual before, and later requests appear to be an extension or duplication of that original request. DLA activities may, however, set aside this automatic fee waiver provision when on the basis of good

evidence it determines that the waiver of fees is not in the public interest. Decisions to waive or reduce fees that exceed the automatic waiver threshold will be made on a case-by-case basis. Fees may not be charged when:

(1) Copying is performed for the convenience of the Government or is the only means to make the record available to the individual.

(2) The record may be obtained without charge under any other part, directive, or statute.

(3) Providing documents to members of Congress for copying records furnished even when the records are requested under the Privacy Act on behalf of a constituent.

(f) *Disclosures of personal information.* (1) For the purposes of disclosure and disclosure accounting, the Department of Defense is considered a single agency. Records pertaining to an individual may be disclosed without the consent of the individual to any DoD official who has need for the record in the performance of his or her assigned duties. Do not disclose personnel information from a system of records outside the Department of Defense unless the record has been requested by the individual to whom it pertains; the written consent of the individual to whom the record pertains has been obtained for release of the record to the requesting agency, activity, or individual; or the release is for one of the specific nonconsensual purposes set forth in this part or DLAR 5400.14, (32 CFR part 1285).

(2) Except for releases made in accordance with DLAR 5400.14, (32 CFR part 1285) before disclosing any personal information to any recipient outside DoD other than a Federal agency or the individual to whom it pertains;

(i) Ensure that the records are accurate, timely, complete, and relevant for agency purposes.

(ii) Contact the individual, if reasonably available, to verify the accuracy, timeliness, completeness, and relevancy of the information, if this cannot be determined from the record.

(iii) If the information is not current and the individual is not reasonably available, advise the recipient that the information is believed accurate as of a specific date and any other known factors bearing on its accuracy and relevancy.

(3) All records must be disclosed if their release is required by the Freedom of Information Act. DLAR 5400.14, (32 CFR part 1285) requires that records be made available to the public unless exempted from disclosure by one of the nine exemptions found in the Freedom of Information Act. The standard for exempting most personal records, such as personnel records, medical records, and similar records, is found in DLAR 5400.14, section IIIG6 (32 CFR 1285.3(g)(f). Under the exemption, release of personal information can only be denied when its release would be a ''clearly unwarranted invasion of personal privacy.''

(i) All disclosures of personal information regarding Federal civilian employees will be made in accordance with the Federal Personnel Manual. Some examples of personal information regarding DoD civilian employees that normally may be released without a clearly unwarranted invasion of personal privacy include:

(A) Name.

(B) Present and past position titles.

(C) Present and past grades.

(D) Present and past salaries.

(E) Present and past duty stations.

(F) Office and duty telephone numbers.

(ii) All release of personal information regarding military members shall be made in accordance with the standards established by DLAR 5400.14, (32 CFR part 1285). While it is not possible to identify categorically information that must be released or withheld from military personnel records in every instance, the following items of personal information regarding military members normally may be disclosed without a clearly unwarranted invasion of their personal privacy:

(A) Full name.

(B) Rank.

(C) Date of rank.

(D) Gross salary.

(E) Past duty assignments.

(F) Present duty assignment.

(G) Future assignments that are officially established.

(H) Office or duty telephone numbers.

(I) Source of commission.

(J) Promotion sequence number.

(K) Awards and decorations.

(L) Attendance at professional military schools.

(M) Duty status at any given time.

(iii) All releases of personal information regarding civilian personnel not subject to the FPM shall be made in accordance with the standards established by DLAR 5400.14 (32 CFR part 1285). While it is not possible to identify categorically those items of personal information that must be released regarding civilian employees not subject to the FPM, such as nonappropriated fund employees, normally the following items may be released without a clearly unwarranted invasion of personal privacy:

(A) Full name.

(B) Grade or position.

(C) Date of grade.

(D) Gross salary.

(E) Present and past assignments.

(F) Future assignments, if officially established.

(G) Office or duty telephone numbers.

(4) A request for a home address or telephone number may be referred to the last known address of the individual for a direct reply by him or her to the requester. In such cases the requester will be notified of the referral. The release of home addresses and home telephone numbers normally is considered a clearly unwarranted invasion of personal privacy and is prohibited. However, these may be released without prior specific consent of the individual if:

(i) The individual has indicated previously that he or she has no objection to their release.

(ii) The source of the information to be released is a public document such as commercial telephone directory or other public listing.

(iii) The release is required by Federal statute (for example, pursuant to Federally-funded state programs to locate parents who have defaulted on child support payments (42 U.S.C. section 653).)

(iv) The releasing official releases the information under the provisions of DLAR 5400.14, (32 CFR part 1285).

(5) Records may be disclosed outside DoD without consent of the individual to whom they pertain for an established routine use. Routine uses may be established, discontinued, or amended without the consent of the individuals involved. However, new or changed routine uses must be published in the FEDERAL REGISTER at least 30 days before actually disclosing any records under their provisions. In addition to the routine uses established by the individual system notices, common blanket routine uses for all DLA-maintained systems of records have been established. These blanket routine uses are published in DLAH 5400.1,[1] DLA Systems of Records Handbook. Unless a system notice specifically excludes a system from a given blanket routine use, all blanket routine uses apply.

(6) Records in DLA systems of records may be disclosed without the consent of the individuals to whom they pertain to the Bureau of the Census for purposes of planning or carrying out a census survey or related activities.

(7) Records may be disclosed for statistical research and reporting without the consent of the individuals to whom they pertain. Before such disclosures, the recipient must provide advance written assurance that the records will be used as statistical research or reporting records; the records will only be transferred in a form that is not individually identifiable; and the records will not be used, in whole or in part, to make any determination about the rights, benefits, or entitlements of specific individuals. A disclosure accounting is not required.

(8) Records may be disclosed without the consent of the individual to whom they pertain to the National Archives and Records Administration (NARA) if they have historical or other value to warrant continued preservation; or for evaluation by NARA to determine if a record has such historical or other value. Records transferred to a Federal Record Center (FRC) for safekeeping and storage do not fall within this category. These remain under the control of the transferring activity, and the FRC personnel are considered agents of the activity which retain control over the records. No disclosure accounting

[1] Copies may be obtained, if needed, from the Defense Logistics Agency, ATTN: DLA–XP, Cameron Station, Alexandria, VA 22304.

is required for the transfer of records to FRCs.

(9) Records may be disclosed without the consent of the individual to whom they pertain to another agency or an instrumentality of any governmental jurisdiction within or under the control of the United States for a civil or criminal law enforcement activity, provided the civil or criminal law enforcement activity is authorized by law; the head of the law enforcement acitivity or a designee has made a written request specifying the particular records desired and the law enforcement purpose (such as criminal investigations, enforcement of civil law, or a similar propose) for which the record is sought; and there is no Federal statute that prohibits the disclosure of the records. Normally, blanket requests for access to any and all records pertaining to an individual are not honored. When a record is released to a law enforcement activity, maintain a disclosure accounting. This disclosure accounting will not be made available to the individual to whom the record pertains if the law enforcement activity requests that the disclosure not be released.

(10) Records may be disclosed without the consent of the individual to whom they pertain if disclosure is made under compelling circumstances affecting the health or safety of any individual. The affected individual need not be the subject of the record disclosed. When such a disclosure is made, notify the individual who is the subject of the record. Notification sent to the last known address of the individual as reflected in the records is sufficient.

(11) Records may be disclosed without the consent of the individual to whom they pertain to either House of the Congress or to any committee, joint committee or subcommittee of Congress if the release pertains to a matter within the jurisdiction of the committee. Records may also be disclosed to the General Accounting Office (GAO) in the course of the activities of GAO.

(12) Records may be disclosed without the consent of the person to whom they pertain under a court order signed by a judge of a court of competent jurisdiction. Releases may also be made under the compulsory legal process of Federal or state bodies having authority to issue such process.

(i) When a record is disclosed under this provision, make reasonable efforts to notify the individual to whom the record pertains, if the legal process is a matter of public record.

(ii) If the process is not a matter of public record at the time it is issued, seek to be advised when the process is made public and make reasonable efforts to notify the individual at that time.

(iii) Notification sent to the last known address of the individual as reflected in the records is considered reasonable effort to notify. Make a disclosure accounting each time a record is disclosed under a court order or compulsory legal process.

(13) Certain personal information may be disclosed to consumer reporting agencies as defined by the Federal Claims Collection Act. Information which may be disclosed to a consumer reporting agency includes:

(i) Name, address, taxpayer identification number (SSN), and other information necessary to establish the identity of the individual.

(ii) The amount, status, and history of the claim.

(iii) The agency or program under which the claim arose.

(g) *Disclosure accounting.* (1) Keep an accurate record of all disclosures made from any system of records except disclosures to DoD personnel for use in the performance of their official duties or under DLAR 5400.14 (32 CFR part 1285). In all other cases a disclosure accounting is required even if the individual has consented to the disclosure of the information pertaining to him or her.

(2) Use any system of disclosure accounting that will provide the necessary disclosure information. As a minimum, disclosure accounting will contain the date of the disclosure, a description of the information released, the purpose of the disclosure, the name and address of the person or agency to whom the disclosure was made. When numerous similar records are released (such as transmittal of payroll checks to a bank), identify the category of records disclosed and include the data

required in some form that can be used to construct an accounting disclosure record for individual records if required. Retain disclosure accounting records for 5 years after the disclosure or the life of the record, whichever is longer.

(3) Make available to the individual to whom the record pertains all disclosure accountings except when the disclosure has been made to a law enforcement activity and the law enforcement activity has requested that disclosure not be made, or the system of records has been exempted from the requirement to furnish the disclosure accounting. If disclosure accountings are not maintained with the record and the individual requests access to the accounting, prepare a listing of all disclosures and provide this to the individual upon request.

(h) *Collecting personal information.* (1) Collect to the greatest extent practicable personal information directly from the individual to whom it pertains if the information may be used in making any determination about the rights, privileges, or benefits of the individual under any Federal program.

(2) When an individual is requested to furnish personal information about himself or herself for inclusion in a system of records, a Privacy Act Statement is required regardless of the medium used to collect the information (forms, personal interviews, stylized formats, telephonic interviews, or other methods). The statement enables the individual to make an informed decision whether to provide the information requested. If the personal information solicited is not to be incorporated into a system of records, the statement need not be given. The Privacy Act Statement shall be concise, current, and easily understood. It must include:

(i) The specific Federal statute or Executive Order that authorizes collection of the requested information.

(ii) The principal purpose or purposes for which the information is to be used.

(iii) The routine uses that will be made of the information.

(iv) Whether providing the information is voluntary or mandatory.

(v) The effects on the individual if he or she chooses not to provide the requested information.

(3) The Privacy Act Statement may appear as a public notice (sign or poster), conspicuously displayed in the area where the information is collected, such as at check-cashing facilities or identification photograph facilities. The individual normally is not required to sign the Privacy Act Statement. Provide the individual a written copy of the Privacy Act Statement upon request. This must be done regardless of the method chosen to furnish the initial advisement.

(4) Include in the Privacy Act Statement specifically whether furnishing the requested personal data is mandatory or voluntary. A requirement to furnish personal data is mandatory only when a Federal statute, Executive order, regulation, or other lawful order specifically imposes a duty on the individual to provide the information sought, and the individual is subject to a penalty if he or she fails to provide the requested information. If providing the information is only a condition of a prerequisite to granting a benefit or privilege and the individual has the option of requesting the benefit or privilege, providing the information is always voluntary. However, the loss or denial of the privilege, benefit, or entitlement sought may be listed as a consequence of not furnishing the requested information.

(5) It is unlawful for any Federal, state, or local government agency to deny an individual any right, benefit, or privilege provided by law because the individual refuses to provide his or her social security number (SSN). However, if a Federal statute requires that the SSN be furnished or if the SSN is required to verify the identity of the individual in a system of records that was established and in use before January 1, 1975, and the SSN was required as an identifier by a statute or regulation adopted before that date, this restriction does not apply.

(i) When an individual is requested to provide his or her SSN, he or she must be told:

(A) The uses that will be made of the SSN.

(B) The statute, regulation, or rule authorizing the solicitation of the SSN.

(C) Whether providing the SSN is voluntary or mandatory.

(ii) Include in any systems notice for any system of records that contains SSNs a statement indicating the authority for maintaining the SSN and the source of the SSNs in the system. If the SSN is obtained directly from the individual indicate whether this is voluntary or mandatory.

(iii) Upon entrance into Military Service of civilian employment with DoD, individuals are asked to provide their SSNs. The SSN becomes the service or employment number for the individual and is used to establish personnel, financial, medical, and other official records. After an individual has provided his or her SSN for the purpose of establishing a record, a Privacy Act Statement is not required if the individual is only requested to furnish or verify the SSNs for identification purposes in connection with the normal use of his or her records. However, if the SSN is to be written down and retained for any purpose by the requesting official, the individual must be provided a Privacy Act Statement.

(6) DLAR 7760.1, Forms Management Program,[2] provides guidance on administrative requirements for Privacy Act Statements used with DLA forms. Forms subject to the Privacy Act issued by other Federal agencies have a Privacy Act Statement attached or included. Always ensure that the statement prepared by the originating agency is adequate for the purpose for which the form will be used by the DoD activity. If the Privacy Act Statement provided is inadequate, the activity concerned will prepare a new statement of a supplement to the existing statement before using the form. Forms issued by agencies not subject to the Privacy Act (state, municipal, and other local agencies) do not contain Privacy Act Statements. Before using a form prepared by such agencies to collect personal data subject to this part, an appropriate Privacy Act Statement must be added.

(i) *Systems of records.* (1) To be subject to this part, a ''system of records'' must consist of records retrieved by the name of an individual or some other personal identifier and be under the control of a DLA activity. Records in a group of records that *may be* retrieved by a name or personal identifier are not covered by this part. The records *must be,* in fact, retrieved by name or other personal identifier to become a system of records for the purpose of this part.

(2) Retain in a system of records only that personal information which is relevant and necessary to accomplish a purpose required by a Federal statute or an Executive Order. The existence of a statute or Executive order mandating that maintenance of a system of records does not abrogate the responsibility to ensure that the information in the system of records is relevant and necessary.

(3) Do not maintain any records describing how an individual exercises his or her rights guaranteed by the First Amendment of the U.S. Constitution unless expressly authorized by Federal statute or the individual. First Amendment rights include, but are not limited to, freedom of religion, freedom of political beliefs, freedom of speech, freedom of the press, the right to assemble, and the right to petition.

(4) Maintain all personal information used to make any determination about an individual with such accuracy, relevance, timeliness, and completeness as is reasonably necessary to ensure fairness to the individual in making any such determination. Before disseminating any personal information from a system of records to any person outside DoD, other than a Federal agency, make reasonable efforts to ensure that the information to be disclosed is accurate, relevant, timely, and complete for the purpose it is being maintained.

(5) Establish appropriate administrative, technical and physical safeguards to ensure that the records in every system of records are protected from unauthorized alteration or disclosure and that their confidentiality is protected. Protect the records against reasonably anticipated threats or hazards. Tailor safeguards specifically to the vulnerabilities of the system and the

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type of records in the system, the sensitivity of the personal information stored, the storage medium used and, to a degree, the number of records maintained.

(i) Treat all unclassified records that contain personal information that normally would be withheld from the public as if they were designated ''For Official Use Only'' and safeguard them in accordance with the standards established by DLAR 5400.14 (32 CFR part 1285) even if they are not marked ''For Official Use Only.''

(ii) Special administrative, physical, and technical procedures are required to protect data that are stored or being processed temporarily in an automated data processing (ADP) system or in a word processing activity to protect it against threats unique to those environments (see DLAM 5200.1, ADP Security Manual,[3] and appendix D of this part).

(6) Dispose of records containing personal data so as to prevent inadvertent compromise. Disposal methods such as tearing, burning, melting, chemical decomposition, pulping, pulverizing, shredding, or mutilation are considered adequate if the personal data is rendered unrecognizable or beyond reconstruction.

(i) The transfer of large quantities of records containing personal data (for example, computer cards and printouts) in bulk to a disposal activity, such as the Defense Property Disposal Office, is not a release of personal information under this part. The sheer volume of such transfers makes it difficult or impossible to identify readily specific individual records.

(ii) When disposing of or destroying large quantities of records containing personal information, care must be exercised to ensure that the bulk of the records is maintained so as prevent specific records from being readily identified. If bulk is maintained, no special procedures are required.

(7) When DLA contracts for the operation or maintenance of a system of records or a portion of a system of records by a contractor, the record system or the portion of the record system affected are considered to be maintained by DLA and are subject to this part. The activity concerned is responsible for applying the requirements of this part to the contractor. The contractor and its employees are to be considered employees of DLA for purposes of the sanction provisions of the Privacy Act during the performance of the contract. See the Federal Acquisition Regulation (FAR), section 24.000 (48 CFR chapter 1).

(j) *System Notices.* (1) A notice of the existence of each system of records must be published in the FEDERAL REGISTER. While system notices are not subject to formal rulemaking procedures, advance public notice must be given before an activity may begin to collect personal information or use a new system of records. The notice procedures require that:

(i) The system notice describes the contents of the record system and the routine uses for which the information in the system may be released.

(ii) The public be given 30 days to comment on any proposed routine uses before implementation.

(iii) The notice contains the date on which the system will become effective.

(2) Appendix A of this part discusses the specific elements required in a system notice. DLAH 5400.1[4] contains systems notices published by DLA.

(3) In addition to system notices, reports are required for new and altered systems of records. The criteria of these reports are outlined in appendixes B and C of this part. No report is required for amendments to existing systems which do not meet the criteria for altered record systems.

(4) System managers shall evaluate the information to be included in each new system before establishing the system and evaluate periodically the information contained in each existing system of records for relevancy and necessity. Such a review will also occur when a system notice amendment or alteration is prepared. Consider the following:

[3] Copies may be obtained, if needed, from the Defense Logistics Agency, ATTN: DLA–XP, Cameron Station, Alexandria, VA 22304.

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(i) The relationship of each item of information retained and collected to the purpose for which the system is maintained.

(ii) The specific impact on the purpose or mission of not collecting each category of information contained in the system.

(iii) The possibility of meeting the informational requirements through use of information not individually identifiable or through other techniques, such as sampling.

(iv) The length of time each item of personal information must be retained.

(v) The cost of maintaining the information.

(vi) The necessity and relevancy of the information to the purpose for which it was collected.

(5) Systems notices and reports of new and altered systems will be submitted to DLA–XA as required.

(k) *Exemptions.* The Director, DLA will designate the DLA records which are to be exempted from certain provisions of the Privacy Act. DLA–XA will publish in the FEDERAL REGISTER information specifying the name of each designated system, the specific provisions of the Privacy Act from which each system is to be exempted, the reasons for each exemption, and the reason for each exemption of the record system.

(1) *General Exemptions.* To qualify for a general exemption, as defined in the Privacy Act, the system of records must be maintained by a system manager who performs as his/her principal function any activity pertaining to the enforcement of criminal laws, including police efforts to prevent, control, or reduce crime or to apprehend criminals, and the activities or prosecutors, courts, correctional, probation, pardon, or parole authorities. Such system of records must consist of:

(i) Information compiled for the purpose of identifying individual criminal offenders and alleged offenders and containing only identifying data and notations or arrests, the nature and disposition of criminal charges, sentencing, confinement, release, and parole, and probation status.

(ii) Information compiled for the purpose of a criminal investigation, including reports of informants and investigators, and associated with an identifiable individual.

(iii) Reports identifiable to an individual compiled at any stage of the process of enforcement of the criminal laws from arrest or indictment through release from supervision.

(2) *Specific exemption.* To qualify for a specfic exemption, as defined by the Privacy Act, the systems of records must be:

(i) Specifically authorized under criteria established by an Executive Order to be kept classified in the interest of national defense or foreign policy and are in fact properly classified pursuant to such Executive Order.

(ii) Investigatory material compiled for law enforcement purposes other than material covered under a general exemption. However, an individual will not be denied access to information which has been used to deny him/her a right or privilege unless disclosure would reveal a source who furnished information to the Government under a promise that the identity of the source would be held in confidence. For investigations made after September 27, 1975, the identity of the source may be treated as confidential only if based on the expressed guarantee that the identity would not be revealed.

(iii) Maintained in connection with providing protective services to the President of the United States or other individuals protected pursuant to 18 U.S.C. 3056.

(iv) Used only to generate aggregate statistical data or for other similarly evaluative or analytic purposes, and which are not used to make decisions on the rights, benefits, or entitlements of individuals except for the disclosure of a census record permitted by 13 U.S.C. 8.

(v) Investigatory material compiled solely for the purpose of determining suitability, eligibility, or qualifications for Federal civilian employment, Military Service, Federal contracts, or access to classified information, but only to the extent that the disclosure of such material would reveal the identity of a source who furnished information to the Government under an express promise that the source would be held in confidence, or prior to September 27 1975, under an implied promise

that the identity of the source would be held in confidence.

(vi) Testing or examination material used solely to determine individual qualifications for appointment or promotion in the Federal service, the disclosure of which would compromise the objectivity or fairness of the testing or elimination process.

(vii) Evaluation material used to determine potential for promotion in the Military Services, but only the extent that the disclosure of such material would reveal the identity of a source who furnished information to the Government under an express promise that the identity of the source would be held in confidence or prior to September 27, 1975, under an implied promise that the identity of the source would be held in confidence. System managers will specify those categories of individuals for whom pledges of confidentiality may be made when obtaining information on an individual's suitability for promotion.

(viii) Exemption rules for DLA systems of records are published in appendix H of this part.

(l) *Matching Program Procedures.* The OMB has issued special guidelines to be followed in programs that match the personal records in the computerized data bases of two or more Federal agencies by computer (see appendix E). These guidelines are intended to strike a balance between the interest of the Government in maintaining the integrity of Federal programs and the need to protect individual privacy expectations. They do not authorize matching programs as such and each matching program must be justified individually in accordance with the OMB guidelines.

(1) Forward all requests for matching programs to include necessary routine use amendments and analysis and proposed matching program reports to DLA–XA. Changes to existing matching programs shall be processed in the same manner as a new matching program report.

(2) No time limits are set by the OMB guidelines. However, in order to establish a new routine use for a matching program, the amended system notice must have been published in the FEDERAL REGISTER at least 30 days before implementation. Submit the documentation required above to DLA–XA at least 60 days before the proposed initiation date of the matching program. Waivers to the 60 days' deadline may be granted for good cause shown. Requests for waivers will be in writing a fully justified.

(3) For the purpose of the OMB guidelines, DoD and all DoD Components are considered a single agency. Before initiating a matching program using only the records of two or more DoD activities, notify DLA–XA that the match is to occur. Further information may be requested from the activity proposing the match.

(4) System managers shall review annually each system of records to determine if records from the system are being used in matching programs and whether the OMB Guidelines have been complied with.

§ 323.6 Forms and reports.

DLA activities may be required to provide data under reporting requirements established by the Defense Privacy Office and DLA–XA. Any report established shall be assigned Report Control Symbol DD–COMP(A) 1379.

APPENDIX A TO PART 323—INSTRUCTIONS FOR PREPARATION OF SYSTEM NOTICES

A. *System identification.* See DLAH 5400.1.[5]

B. *System name.* The name of the system reasonably identifies the general purpose of the system and, if possible, the general categories of individuals involved. Use acronyms only parenthetically following the title or any portion thereof, such as, ''Joint Uniform Military Pay System (JUMPS).'' Do not use acronyms that are not commonly known unless they are preceded by an explanation. The system name may not exceed 55 character positions including punctuation and spacing.

C. *System location* 1. For systems maintained in a single location provided the exact office name, organizational identity, and address or routing symbol. For geographically or organizationally decentralized systems, specify each level of organization or element that maintains a segment of the system. For automated data systems with a central computer facility and input/output terminals at several geographically separated location, list each location by category.

[5] Copies may be obtained, if needed, from the Defense Logistics Agency, ATTN: DLA–XP, Cameron Station, Alexandria, VA 22304.

2. When multiple locations are identified by type of organization, the system location may indicate that official mailing addresses are contained in an address directory published as an appendix to DLAH 5400.1.[6] DLA–XA will obtain information concerning format requirements for preparation of an address directory from the 1st Information Systems Group (1ISG), Room 3A–1066, The Pentagon, Washington, DC 20330–6345.

3. If no address directory is used or the addresses in the directory are incomplete, the address of each location where a segment of the record system is maintained must appear under the ''System Location'' caption. Classified addresses are not listed, but the fact that they are classified is indicated. Use the standard U.S. Postal Service two letter state abbreviation symbols and zip codes for all domestic addresses.

D. *Categories of individuals covered by the system.* Set forth the specific categories of individuals to whom records in the system pertain in clear, easily understood, nontechnical terms. Avoid the use of broad over-general descriptions, such as ''all DLA personnel'' or ''all civilian personnel'' unless this actually reflects the category of individuals involved.

E. *Categories of records in the system.* Describe in clear, nontechnical terms the types of records maintained in the system. Only documents actually retained in the system of records will be described, not source documents that are used only to collect data and the destroyed.

F. *Authority for maintenance of the system.* 1. Cite the specific provisions of the Federal statute or Executive Order that authorizes the maintenance of the system. Include with citations for statutes the popular names, when appropriate (for example, title 51, United States Code, section 2103, ''Tea-Tasters Licensing Act''), and for Executive Orders, the official title (for example, Executive Order 9397, ''Numbering System for Federal Accounts Relative to Individual Persons'').

2. For administrative housekeeping records, cite the directive establishing DLA as well as the Secretary of Defense authority to issue the directive. For example, ''Pursuant to the authority contained in the National Security Act of 1947, as amended (10 U.S.C. 133d), the Secretary of Defense has issued DoD Directive 5105.22 (32 CFR part 359), Defense Logistics Agency (DLA), the charter of the Defense Logistics Agency (DLA) as a separate agency of the Department of Defense under his control. Therein, the Director, DLA, is charged with the responsibility of maintaining all necessary and appropriate records.''

G. *Purpose or purposes.* List the specific purposes for maintaining the system of records by the activity. Include the use made of the information within DLA and the Department of Defense (so-called ''internal routine uses'').

H. *Routine uses.* 1. The blanket routine uses that appear in DLAH 5400.1[7] apply to all systems notices unless the individual system notice specifically states that one or more of them do not apply to the system. For all other routine uses, when practical, list the specific activity to which the record may be released, to include any routine automated system interface (for example, ''to the Department of Justice, Civil Rights Compliance Division,'' ''to the Veterans Administration, Office of Disability Benefits,'' or ''to state and local health agencies'').

2. For each routine use identified, include a statement as to the purpose or purposes for which the record is to be released to the activity. Do not use general statements, such as, ''to other Federal agencies as required'' and ''to any other appropriate Federal agency.''

I. *Policies and practices for storing, retiring, accessing, retaining, and disposing of records.* This caption is subdivided into four parts:

1. *Storage.* Indicate the medium in which the records are maintained. (For example, a system may be ''automated, maintained on magnetic tapes or disks,'' ''manual, maintained in paper files,'' or ''hybrid, maintained in a combination of paper and automated form.'') Storage does not refer to the container or facility in which the records are kept.

2. *Retrievability.* Specify how the records are retrieved (for example, name and SSN, name, SSN) and indicate whether a manual or computerized index is required to retrieve individual records.

3. *Safeguards.* List the categories of DLA personnel having immediate access and these responsible for safeguards (such as storage in safes, vaults, locked cabinets or rooms, use of guards, visitors registers, personnel screening, or computer ''fail-safe'' systems software). Do not describe safeguards in such detail as to compromise system security.

4. *Retention and disposal.* Indicate how long the record is retained. When appropriate, state the length of time the records are maintained by the activity, when they are transferred to a Federal Records Center, length of retention at the Records Center and when they are transferred to the National Archives or are destroyed. A reference

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to DLAM 5015.1,[8] Files Maintenance and Disposition, or other issuances without further detailed information is insufficient.

J. *System manager or managers and address.* 1. List the title and address of the official responsible for the management of the system. If the title of the specific official is unknown, such as for a local system, specify the local commander or office head as the systems manager.

2. For geographically separated or ogranizationally decentralized activities for which individuals may deal directly with officials at each location in exercising their rights, list the position or duty title of each category of officials responsible for the system or a segment thereof.

3. Do not include business or duty addresses if they are listed in DLAH 5400.1.

K. *Notification procedures.* 1. If the record system has been exempted from subsection (e)(4)(G) the Privacy Act, so indicate.

2. For all nonexempt systems, describe how an individual may determine if there are records pertaining to him or her in the system. The procedural rules may be cited, but include a brief procedural description of the needed data. Provide sufficient information in the notice to allow an individual to exercise his or her rights without referrals to this part.

3. As a minimum, the caption will include:

a. The official title (normally the system manager) and official address to which request is to be directed.

b. The specific information required to determine if there is a record of the individual in the system.

c. Identification of the offices through which the individual may obtain access.

d. A description of any proof of identity required.

4. When appropriate, the individual may be referred to an activity official who shall provide this data to him or her.

L. *Record access procedures.* 1. If the record system has been exempted from subsection (e)(4)(H) of the Privacy Act, so indicate.

2. For all nonexempt record systems, describe the procedures under which individuals may obtain access to the record pertaining to them in the system. When appropriate, the individual may be referred to the system manager or activity official to obtain access procedures. Do not repeat the addresses listed in DLAH 5400.1, but refer the individual to that directory.

M. *Contesting record procedures.* 1. If the record system has been exempted from subsection (e)(4)(H) of the Privacy Act, so indicate.

2. For all nonexempt systems of records, state briefly how an individual may contest the content of a record pertaining to him or her in the system. The detailed procedures for contesting record accuracy, refusal of access or amendment, or initial review and appeal need not be included if they are readily available elsewhere and can be referred to by the public. (For example, ''The Defense Logistics Agency rules for contesting contents and for appealing initial determinations are contained in 32 CFR part.'') (DLAR 5400.21).

3. The individual may also be referred to the system manager to determine these procedures.

N. *Record source categories.* 1. If the record system has been exempted from subsection (e)(4)(I) of the Privacy Act, so indicate.

2. For all nonexempt systems of records, list the sources of the information in the system. Specific individuals or institutions need not be identified by name, particularly if these sources have been granted confidentiality.

O. *System exempted from certain provisions of the Privacy Act.* 1. If no exemption has been claimed for the system, indicate ''None.''

2. If there is an exemption claimed, indicate specifically under which subsection of the Privacy Act is is claimed. Cite the regulation and CFR section containing the exemption rule for the system. (For example, ''Parts of this record system may be exempt under title 5, United States Code, sections 552a(k)2. and (5), as applicable. See exemption rules contained in 32 CFR part 323.'') (DLAR 5400.21).

[DLAR 5400.21, 51 FR 33595, Sept. 22, 1986. Redesignated and amended at 56 FR 57803, Nov. 14, 1991]

APPENDIX B TO PART 323—CRITERIA FOR NEW AND ALTERED RECORD SYSTEMS

A. *Criteria for a new record system.* A new system of records is one for which there has been no system notice published in the FEDERAL REGISTER. If a notice for a system, of records has been canceled or deleted, before reinstating or reusing the system, a new system notice must be published in the FEDERAL REGISTER.

B. *Criteria for an altered record system.* A system is considered altered whenever one of the following actions occurs or is proposed:

1. A significant increase or change in the number or type of indiviudals about whom records are maintained.

a. Only changes that alter significantly the character and purpose of the records system are considered alterations.

b. Increases in numbers of individuals due to normal growth are not considered alterations unless they truly alter the character and purpose of the system.

c. Increases that change significantly the scope of population covered (for example, expansion of a system of records covering a

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single PLFA's enlisted personnel to include all of DLA enlisted personnel would be considered an alteration).

d. A reduction in the number of individual covered is not an alteration, but only an amendment.

e. All changes that add new categories of individuals to system coverage require a change to the ''Categories of individuals covered by the system'' caption of the notice and may require changes to the ''Purpose(s)'' caption.

2. An expansion in the types or categories of information maintained.

a. The addition of any new category of records not described under the ''Categories of Records in System'' caption is considered an alteration.

b. Adding a new data element which is clearly within the scope of the categories of records described in the existing notice is an amendment.

c. All changes under this criterion require a change to the ''Categories of Records in System'' caption of the notice.

3. An alteration in the manner in which the records are organized or the manner in which the records are indexed and retrieved.

a. The change must alter the nature of use or scope of the records involved (for example, combining records systems in a reorganization).

b. Any change under this critera requires a change in the ''Retrievability'' caption of the system notice.

c. If the records are no longer retrieved by name or personal identifier, cancel the system notice.

4. A change in the purpose for which the information in the system is used.

a. The new purpose must not be compatible with the existing purposes for which the system is maintained or a use that would not reasonably be expected to be an alteration.

b. If the use is compatible and reasonably expected, there is no change in purpose and no alteration occurs.

c. Any change under this criterion requires a change in the ''Purpose(s)'' caption and may require a change in the ''Authority for maintenance of the system'' caption.

5. Changes that alter the computer environment (such as changes to equipment configuration, software, or procedures) so as to create the potential for greater or easier access.

a. Increasing the number of offices with direct access is an alteration.

b. Software releases, such as operating systems and system utilities that provide for easier access are considered alterations.

c. The addition of an on-line capability to a previously batch-oriented system is an alteration.

d. The addition of peripheral devices such as tape devices, disk devices, card readers, printers, and similar devices to an existing ADP system constitute an amendment if system security is preserved.

e. Changes to existing equipment configuration with on-line capability need not be considered alterations to the system if:

(1) The change does not alter the present security posture.

(2) The addition of terminals does not extend the capacity of the current operating system and existing security is preserved.

f. The connecting of two or more formerly independent automated systems or networks together creating a potential for greater access is an alteration.

g. Any change under this caption requires a change to the ''Storage'' caption element of the systems notice.

C. *Reports of new and altered systems.* Submit a report of a new or altered system to DLA–XA before collecting information and for using a new system or altering an existing system.

D. *Time restrictions on the operation of a new or altered system.* 1. All time periods begin from the date OSD signs the transmittal letters on the reports to OMB and Congress. The specific time limits are:

a. Sixty days must elapse before collection forms or fomal instructions pertaining to the system may be issued.

b. Sixty days must elapse before the system may become operational.

c. Sixty days must elapse before any public issuance of a Request for Proposal or Invitation to Bid for a new ADP or telecommunication system.

NOTE: Requests for delegation of procurement authority may be submitted to the General Services Administration during the 60 days' waiting period, but these will include language that the Privacy Act reporting criteria have been reviewed and that a system report is required for such procurement.

d. Normally 30 days must elapse before publication in the FEDERAL REGISTER of the notice of a new or altered system and the preamble to the FEDERAL REGISTER notice must reflect the date the transmittal letters to OMB and Congress were signed by OSD.

2. Do not operate a system of records until the waiting periods have expired.

E. *Outside review of new and altered systems reports.* If no objections are received within 30 days of a submission to the President of the Senate, Speaker of the House of Representatives, and the Director, OMB, of a new or altered system report, it is presumed that the new or altered systems have been approved as submitted.

F. *Waiver of time restrictions.* 1. The OMB may authorize a Federal agency to begin operation of a system of records before the expiration of time limits described above. When seeking such a waiver, include in the letter of transmittal to DLA–XA an explanation why a delay of 60 days in establishing

the system of records would not be in the public interest. The transmittal must include:

a. How the public interest will be affected adversely if the established time limits are followed.

b. Why earlier notice was not provided.

2. Under no circumstances will the routine uses for a new or altered system be implemented before 30 days have elapsed after publication of the system notice containing the routine uses in the FEDERAL REGISTER. This period cannot be waived.

APPENDIX C TO PART 323—INSTRUCTIONS FOR PREPARATION OF REPORTS TO NEW OR ALTERED SYSTEMS

The report on a new or altered system will consist of a transmittal letter, a narrative statement, and include supporting documentation.

A. *Transmittal Letter.* The transmittal letter shall include any request for waivers. The narrative statement will be attached.

B. *Narrative Statement.* The narrative statement is typed in double space on standard bond paper. The statement includes:

1. *System identification and name.* This caption sets forth the identification and name of the system.

2. *Responsible official.* The name, title, address, and telephone number of the official responsible for the report and to whom inquiries and comments about the report may be directed by Congress, the Office of Management and Budget, or Defense Privacy Office.

3. *Purpose of the system or nature of the change proposed.* Describe the purpose of the new system. For an altered system, describe the nature of the change being proposed.

4. *Authority for the system.* See enclosure 1 of this part.

5. *Number of individuals.* The approximate number of individuals about whom records are to be maintained.

6. *Information on First Amendment activities.* Describe any information to be kept on the exercise of the individual's First Amendment rights and the basis for maintaining it.

7. *Measures to ensure information accuracy.* If the system is to be used to make determinations about the rights, benefits, or entitlements of individuals, describe the measures being established to ensure the accuracy, currency, relevance, and completeness of the information used for these purposes.

8. *Other measures to ensure system security.* Describe the steps taken to minimize the risk of unauthorized access to the system. A more detailed assessment of security risks and specific administrative, technical, and physical safeguards will be available for review upon request.

9. *Relationship to state and local government activities.* Describe the relationship of the system to state or local government activities that are the sources, recipients, or users of the information in the system.

C. *Supporting Documentation.* Item 10 of the narrative is captioned *Supporting Documents.* A positive statement for this caption is essential for those enclosures that are not required to be enclosed. For example, ''No changes to the existing DLA procedural or exemption rules (32 CFR part 323) are required for this proposed system.'' List in numerical sequence only those enclosures that are actually furnished. The following are typical enclosures that may be required:

1. For a new system, an advance copy of the system notice which is proposed for publication; for an altered system an advance copy of the notice reflecting the specific changes proposed.

2. An advance copy of any proposed exemption rule if the new or altered system is to be exempted. If there is no exemption, so state in the narrative.

3. Any other supporting documentation that may be pertinent or helpful in understanding the need for the system or clarifying its intended use. While not required, such documentation, when available, is helpful in evaluating the new or altered system.

[DLAR 5400.21, 51 FR 33595, Sept. 22, 1986. Redesignated and amended at 56 FR 57803, Nov. 14, 1991]

APPENDIX D TO PART 323—WORD PROCESSING CENTER (WPC) SAFEGUARDS

A. *Minimum Standards of Protection.* All personal data processed using word processing equipment will be afforded the standards of protection required by this regulation. The special considerations discussed in this enclosure are primarily for Word Processing Centers (WPCs) operating independent of the customer's function. However, managers of word processing systems are encouraged to consider and adopt, when appropriate, the special considerations described. WPCs that are not independent of a customer's function are not required to prepare formal written risk assessments.

B. *WPC Information Flow.* In analyzing procedures required to safeguard adequately personal information in a WPC, the basic elements of WPC information flow and control must be considered. These are: Information receipt, information processing, information return, information storage and filing. WPCs do not control information acquisition or its ultimate use by the customers and, therefore, these are not addressed.

C. *Safeguarding Information During Receipt.* 1. The word processing manager will establish procedures:

a. That require each customer who requests that information subject to this DLAR be processed to identify specifically

that information to the WPC personnel. This may be done by:

(1) Providing a check-off type entry on the WPC work requests.

(2) Requiring that the WPC work requests be stamped with a special legend, or that a special notation be made on the work requests.

(3) Predesignating specifically a class of documents as coming within the provisions of this DLAR (such as, all officer effectiveness reports, all recall rosters, and all medical protocols).

(4) Using a special cover sheet both to alert the WPC personnel as to the type information, and to protect the document during transmittal.

(5) Requiring an oral warning on all dictation.

(6) Any other procedures that ensure the WPC personnel are alerted to the fact that personal data subject to this DLAR is to be processed.

b. To ensure that the operators or other WPC personnel who receive data for processing not identified as being under the provisions of this DLAR, but that appear to be personal, promptly call the information to the attention of the WPC supervisor or the customer.

c. To ensure that any request for the processing of personal data which the customer has not identified as being in a system of record, and that appears to meet the criteria set forth in this regulation, is called to the attention of the appropriate supervisory personnel and system manager.

2. The WPC supervisor will ensure that personal information is not inadvertently compromised within the WPC.

D. *Safeguarding Information During Processing.* 1. Each WPC supervisor will establish internal safeguards that will protect personal data from compromise while it is being processed.

2. Physical safeguards may include:

a. Controls on individual access to the center.

b. Machine configurations that reduce external access to the information being processed, or arrangements that alert the operator to the presence of others.

c. Using certain specific machines to process personnal data.

d. Any other physical safeguards, to include special technical arrangements that will protect the data during processing.

3. Other safeguards may include:

a. Using only certain selected operators to process personal data.

b. Processing personal data only at certain times during the day without the WPC manager's specific authorization.

c. Using only certain tapes or diskettes to process and store personal data.

d. Using continuous tapes for dictation of personal data.

e. Requiring all WPC copies of documents to be marked specifically so as to prevent inadvertent compromise.

f. Returing extra copies and mistakes to the customer with the product.

g. Disposing of waste containing personal data in a special manner.

h. Any other local procedures that provide adequate protection to the data being processed.

E. *Safeguarding Information During Return.* The WPC shall protect the data until it is returned to the customer or is placed into a formal distribution channel. In conjunction with the appropriate administrative support personnel and the WPC customers, the WPC manager will establish procedures that protect the information from the time word processing is completed until it is returned to the customer. Safeguarding procedures may include:

1. Releasing products only to specifically identified individuals.

2. Using sealed envelopes to transmit products to the customer.

3. Using special cover sheets to protect products similar to the one discussed in above.

4. Hand-carrying products to the customers.

5. Using special messengers to return the products.

6. Any other procedures that adequately protect products from compromise while they are awaiting return or being returned to the customer.

F. *Safeguards During Storage.* The WPC manager shall ensure that all personal data retained in the center for any purpose (including samples) are protected properly. Safeguarding procedures may include:

1. Marking will hard copies retained with special legends or designators.

2. Storing media containing personal data in separate files or areas.

3. Marking the storage containers for media containing personal data with special legends or notations.

4. Restricting the reuse of media used to process personal data or erasing the media before reuse.

5. Establishing special criteria for the WPC retention of media used to store and process personal data.

6. Returning the media to the customer for retention with the file copies of the finished products.

7. Discouraging, when practical, the long-term storage of personnal data in any form within the WPC.

8. Any other filing or storage procedures that safeguard adequately any personal information retained or filed within the WPC.

G. *Risk Assessment for WPCs.* 1. Each WPC manager will ensure that a formal, written risk assessment is prepared for each WPC that processes personal information subject

to this regulation. The assessment will address the areas discussed in this enclosure, as well as any special risks that the WPC location, configuration, or organization may present to the compromise or alteration of personal data being processed or stored.

2. A risk assessment will be conducted at least every 5 years or whenever there is a change of equipment, equipment configuration, WPC location, WPC configuration or modification of the WPC facilities that either increases or decreases the likelihood or compromise of personal data.

3. Copies of the risk assessment will be retained by the WPC manager and made available to appropriate inspectors, as well as to personnel studying equipment for facility upgrading of personal data.

H. *Special Considerations in WPC Design and Modification.* Procedures will be established to ensure that all personnel involved in the design of WPCs or the acquisition of word processing equipment are aware of the special considerations required when processing personal data subject to this DLAR.

APPENDIX E TO PART 323—OMB GUIDELINES FOR MATCHING PROGRAMS

A. *Purpose.* These guidelines supplement and will be used in conjunction with OMB Guidelines on the Administration of the Privacy Act of 1974, issued on July 1, 1975, and supplemented on November 21, 1975. They replace earlier guidance on conducting computerized matching programs issued on March 30, 1979. They are intended to help agencies relate the procedural requirements of the Privacy Act to the operational requirements of computerized matching. They are designed to address the concern expressed by the Congress in the Privacy Act of 1974 that ''the increasing use of computers and sophisticated information technology, while essential to the efficient operation of the Government, has greatly magnified the harm to individual privacy that can occur from any collection, maintenance, use, or dissemination of personal information.'' These guidelines do not authorize activities that are not permitted by law, nor do they prohibit activities expressly required to be performed by law. Complying with these guidelines, however, does not relieve a Federal agency of the obligation to comply with the provisions of the Privacy Act, including any provisions not cited in these guidelines.

B. *Scope.* These guidelines apply to all agencies subject to the Privacy Act of 1974 (5 U.S.C. 552a) and to all matching programs:

1. Performed by a Federal agency, whether the personal records used in the match are Federal or nonfederal.

2. For which a Federal agency discloses any personal records for use in a matching program performed by any other Federal agency or any nonfederal organization.

C. *Effective Date.* These guidelines were effective on May 11, 1982.

D. *Definitions.* For the purpose of the Guidelines, all the terms defined in the Privacy Act of 1974 apply.

1. *Personal Record.* Any information pertaining to an individual that is stored in an automated system of records; for example, a data base which contains information about individuals that is retrieved by name or some other personal identifier.

2. *Matching Program.* A procedure in which a computer is used to compare two or more automated systems of records or a system of records with a set of nonfederal records to find individuals who are common to more than one system or set. The procedure includes all of the steps associated with the match, including obtaining the records to be matched, actual use of the computer, administrative and investigative action on the hits, and disposition of the personal records maintained in connection with the match. It should be noted that a single matching program may involve several matches among a number of participants. Watching programs do not include the following:

a. Matches which compare a substantial number of records, such as, comparison of the Department of Education's defaulted student loan data base with the Office of Personnel Management's Federal employee data base would be covered; comparison of six individual student loan defaultees with the OPM file would not be covered.

b. Checks on specific individuals to verify data in an application for benefits done reasonably soon after the application is received.

c. Checks on specific individuals based on information which raises questions about an individual's eligibility for benefits or payments done reasonably soon after the information is received.

d. Matches done to produce aggregate statistical data without any personal identifiers.

e. Matches done to support any research or statistical project when the specfic data are not to be used to make decisions about the rights, benefits, or privileges of specific individuals.

f. Matches done by an agency using its own records.

3. *Matching Agency.* The Federal agency which actually performs the match.

4. *Source Agency.* The Federal agency which discloses records from a system of records to be used in the match. Note that in some circumstances a source agency may be the instigator and ultimate beneficiary of the matching program, as when an agency lacking computer resources uses another agency to perform the match. The disclosure of records to the matching agency and any later disclosure of ''hits'' (by either the matching or the source agencies) must be

done in accordance with the provisions of paragraph (b) of the Privacy Act.

5. *Hit.* The identification, through a matching program, of a specific individual.

E. *Guidelines for Agencies Participating in Matching Programs.* Agencies should acquire and disclose matching records and conduct matching programs in accordance with the provisions of this section and the Privacy Act.

1. *Disclosing Personal Records for Matching Programs—*

a. *To another Federal agency.* Source agencies are responsible for determining whether or not to disclose personal records from their systems and for making sure they meet the necessary Privacy Act disclosure provisions when they do. Among the factors source agencies should consider are:

(1) Legal authority for the match.

(2) Purpose and description of the match.

(3) Description of the records to be matched.

(4) Whether the record subjects have consented to the match; or whether disclosure of records for the match would be compatible with the purpose for which the records were originally collected; that is, whether disclosure under a ''routine use'' would be appropriate; whether the soliciting agency is seeking the records for a legitimate law enforcement activity—whichever is appropriate; or any other provision of the Privacy Act under which disclosure may be made.

(5) Description of additional information which may be subsequently disclosed in relation to ''hits.''

(6) Subsequent actions expected of the source (for example, verification of the identity of the ''hits'' or followup with individuals who are ''hits'').

(7) Safeguards to be afforded the records involved, including disposition.

b. If the agency is satisfied that disclosure of the records would not violate its responsibilities under the Privacy Act, it may proceed to make the disclosure to the matching agency. It should ensure that only the minimum information necessary to conduct the match is provided. If disclosure is to be made pursuant to a ''routine use'' (Section b.3. of the Privacy Act), it should ensure that the system of records contains such a use, or it should publish a routine use notice in the FEDERAL REGISTER. The agency should also be sure to maintain an accounting of the disclosure pursuant to Section (c) of the Privacy Act.

c. *To a nonfederal entity.* Before disclosing records to a nonfederal entity for a matching program to be carried out by that entity, a source agency should, in addition to all of the consideration in subparagraph a, above, also make reasonable efforts, pursuant to Section (e)(6) of the Privacy Act, to ''assure that such records are accurate, complete, timely, and relevant for agency purposes.''

2. *Written Agreements.* Before disclosing to either a Federal or non-Federal entity, the source agency should require the matching entity to agree in writing to certain conditions governing the use of the matching file; for example, that the matching file will remain the property of the source agency and be returned at the end of the matching program (or destroyed as appropriate); that the file will be used and accessed only to match the file or files previously agreed to; that it will not be used to extract information concerning ''non-hit'' individuals for any purpose, and that it will not be duplicated or disseminated within or outside the matching agency unless authorized in writing by the source agency.

3. *Performing Matching Programs—*

a. Matching agencies should maintain reasonable administrative, technical, and physical security safeguards on all files involved in the matching program.

b. Matching agencies should ensure that they have appropriate systems of records including those containing ''hits,'' and that such systems and any routine uses have been appropriately notices in the FEDERAL REGISTER and reported to OMB and the Congress.

4. *Disposition of Records—*

a. Matching agencies will return or destroy source matching files (by mutual agreement) immediately after the match.

b. Records relating to this will be kept only so long as an investigation, either criminal or administrative, is active, and will be disposed of in accordance with the requirements of the Privacy Act and the Federal Records Act.

5. *Publication Requirements—*

a. Agencies, before disclosing records outside the agency, will publish appropriate ''routine use'' notices in the FEDERAL REGISTER, if necessary.

b. If the matching program will result in the creation of a new or the substantial alteration of an existing system of records, the agency involved should publish the appropriate FEDERAL REGISTER notice and submit the requisite report to OMB and the Congress pursuant to OMB Circular No. A–108.

6. *Reporting Requirements—*

a. As close to the initiation of the matching program as possible, matching agencies will publish in the FEDERAL REGISTER a brief public notice describing the matching program. The notice should include:

1. The legal authority under which the match is being conducted.

2. A description of the matching program including whether the program is one time or continuing, the organizations involved, the purpose or purposes for which the program is being conducted, and the procedures to be used in matching and following up on the ''hits.''

3. A complete description of the personal records to be matched, including the source

or sources, system of records identifying data, date or dates and page number of the most recent FEDERAL REGISTER full text publication when appropriate.

4. The projected start and ending dates of the program.

5. The security safeguards to be used to protect against unauthorized access or disclosure of the personal records.

6. Plans for disposition of the source records and ''hits.''

7. Agencies should send a copy of this notice to the Congress and to OMB at the same time it is sent to the FEDERAL REGISTER.

a. Agencies should report new or altered systems of records as described in subparagraph 5b, above, as necessary.

b. Agencies should also be prepared to report on matching programs pursuant to the reporting requirements of either the Privacy Act or the Paperwork Reduction Act. Reports will be solicited by the Office of Information and Regulatory Affairs and will focus on both the protection of individual privacy and Government's effective use of information technology. Reporting instructions will be disseminated to the agencies as part of either the reports required by paragraph (p) of the Privacy Act, or section 3514 of Pub. L. 96–511.

8. *Use of Contractors.* Matching programs should, as far as practicable, be conducted ''in-house'' by Federal agencies using agency personnel, rather than by contract. When contractors are used:

a. The matching agency should, consistent with paragraph (m) of the Privacy Act, cause the requirements of that Privacy Act to be applied to the contractor's performance of the matching program. The contract should include the Privacy Act clause required by Federal Personnel Regulation Amendment 155 (41 CFR 1–1.337–5).

b. The terms of the contract should include appropriate privacy and security provisions consistent with policies, regulations, standards, and guidelines issued by OMB, GSA, and the Department of Commerce.

c. The terms of the contract should preclude the contractor from using, disclosing, copying, or retaining records associated with the matching program for the contractor's own use.

d. Contractor personnel involved in the matching program shall be made explicitly aware of their obligations under the Privacy Act and of these guidelines, agency rules, and any special safegurds in relation to each specific match performed.

e. Any disclosures of records by the agency to the contractor should be made pursuant to a ''routine use'' (5 U.S.C. 552a(b)(3)).

F. *Implementation and Oversight.* OMB will oversee the implementation of these guidelines and will interpret and advise upon agency proposals and actions within their scope, consistent with section 6 of the Privacy Act.

APPENDIX F TO PART 323—LITIGATION STATUS SHEET

1. Case Number.[1]
2. Requester.
3. Document Title or Description.[2]
4. Litigation.
a. Date Complaint Filed.
b. Court.
c. Case File Number.[1]
5. Defendants (DoD Component and individual).
6. Remarks (brief explanation of what the case is about).
7. Court Action.
a. Court's Finding.
b. Disciplinary Action (as appropriate).
8. Appeal (as appropriate).
a. Date Complaint File.
b. Court.
c. Case File Number.[1]
d. Court's Finding.
e. Disciplinary Action (as appropriate).

APPENDIX G TO PART 323—PRIVACY ACT ENFORCEMENT ACTIONS

A. *Administrative Remedies.* Any individual who feels he or she has a legitimate complaint or grievance against the Defense Logistics Agency or any DLA employee concerning any right granted by this DLAR will be permitted to seek relief through appropriate administrative channels.

B. *Civil Actions.* An individual may file a civil suit against DLA or its employees if the individual feels certain provisions of the Privacy Act have been violated (see 5 U.S.C. 552a(g), reference (b).)

C. *Civil Remedies.* In addition to specific remedial actions, the Privacy Act provides for the payment of damages, court cost, and attorney fees in some cases.

D. *Criminal Penalties*—

1. The Privacy Act also provides for criminal penalties (see 5 U.S.C. 552a(1).) Any official or employee may be found guilty of a misdemeanor and fined not more than $5,000 if he or she willfully discloses personal information to anyone not entitled to receive the information, or maintains a system of records without publishing the required public notice in the FEDERAL REGISTER.

2. A person who requests or obtains access to any record concerning another individual under false pretenses may be found guilty of a misdemeanor and fined up to $5,000.

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[1] Number used by the Component for reference purposes.

[2] Indicate the nature of the case, such as ''Denial of access,'' ''Refusal to amend,'' ''Incorrect records,'' or other violations of the Act (specify).

APPENDIX H TO PART 323—DLA EXEMPTION RULES

Exempted Records Systems. All systems of records maintained by the Defense Logistics Agency will be exempt from the requirements of 5 U.S.C. 552a(d) pursuant to 5 U.S.C. 552a(k)(1) to the extent that the system contains any information properly classified under Executive Order 12958 and which is required by the Executive Order to be kept secret in the interest of national defense or foreign policy. This exemption, which may be applicable to parts of all systems of records, is necessary because certain record systems not otherwise specifically designated for exemptions herein may contain isolated items of information which have been properly classified.

a. ID: S500.10 DLA–I (Specific exemption).

1. *System name:* Personnel Security Files.

2. *Exemption:* This system of records is exempted from the following provisions of title 5, United States Code, section 552a: (c)(3); (d); and (e)(1).

3. *Authority:* 5 U.S.C. 552a(k)(2).

4. *Reasons:* The investigatory reports are used by appropriate Security Officers and Commanders or other designated officials as a basis for determining a persons's eligibility for access to information classified in the interests of national defense.

b. ID: S500.20 DLA–I (Specific exemption).

1. *System name:* Criminal Incident/Investigations File.

2. *Exemption:* This system of records is exempted from the following provisions of the Title 5, United States Code, section 552a: (c)(3); (d); and (e)(1).

3. *Authority:* 5 U.S.C. 552a(k)(2).

4. *Reasons:* Granting individuals access to information collected and maintained by this component relating to the enforcement of criminal laws could interfere with orderly investigations, with the orderly administration of justice, and possibly enable suspects to avoid detection or apprehension. Disclosure of this information could result in the concealment, destruction or fabrication of evidence and jeopardize the safety and well being of informants, witnesses and their families, and law enforcement personnel and their families. Disclosure of this information could also reveal and render ineffectual investigative techniques, sources and methods used by this component and could result in the invasion of privacy of individuals only incidentally related to an investigation. Investigatory material is exempt to the extent that the disclosure of such material would reveal the identity of a source who furnished the information to the Government under an express promise that the identity of the source would be held in confidence, or prior to September 27, 1975 under an implied promise that the identity of the source would be held in confidence. This exemption will protect the identities of certain sources who would be otherwise unwilling to provide information to the Government. The exemption of the individual's right of access to his records and the reasons therefore necessitate the exemptions of this system of records from the requirements of the other cited provisions.

c. ID: S100.50 DLA–GC (Specific exemption).

1. *System name:* Fraud and Irregularities.

2. *Exemption:* This system of records is exempt from the provisions of 5 U.S.C. 552a(c)(3), (d)(1) through (4), (e)(1), (e)(4)(G), (H), and (I), and (f).

3. *Authorities:* 5 U.S.C. 552a(k)(2) and (k)(5).

4. *Reasons:* From subsection (c)(3) because granting access to the accounting for each disclosure as required by the Privacy Act, including the date, nature, and purpose of each disclosure and the identity of the recipient, could alert the subject to the existence of the investigation or prosecutive interest by DLA or other agencies. This could seriously compromise case preparation by prematurely revealing its existence and nature; compromise or interfere with witnesses or make witnesses reluctant to cooperate; and lead to suppression, alteration, or destruction of evidence.

From subsections (d)(1) through (d)(4) and (f) because providing access to records of a civil investigation and the right to contest the contents of those records and force changes to be made to the information contained therein would seriously interfere with and thwart the orderly and unbiased conduct of the investigation and impede case preparation. Providing access rights normally afforded under the Privacy Act would provide the subject with valuable information that would allow interference with or compromise of witnesses or render witnesses reluctant to cooperate; lead to suppression, alteration, or destruction of evidence; and result in the secreting of or other disposition of assets that would make them difficult or impossible to reach in order to satisfy any Government claim growing out of the investigation or proceeding.

From subsection (e)(1) because it is not always possible to detect the relevance or necessity of each piece of information in the early stages of an investigation. In some cases, it is only after the information is evaluated in light of other evidence that its relevance and necessity will be clear.

From subsections (e)(4)(G) and (H) because there is no necessity for such publication since the system of records will be exempt from the underlying duties to provide notification about and access to information in the system and to make amendments to and corrections of the information in the system.

From subsection (e)(4)(I) because to the extent that this provision is construed to require more detailed disclosure than the broad, generic information currently published in the system notice, an exemption from this provision is necessary to protect the confidentiality of sources of information and to protect privacy and physical safety of witnesses and informants. DLA will, nevertheless, continue to publish such a notice in broad generic terms as is its current practice.

d. ID: S100.10 GC (Specific exemption).

1. *System name:* Whistleblower Complaint and Investigation Files.

2. *Exemption:* Portions of this system of records may be exempt under the provisions of 5 U.S.C. 552a(c)(3), (d)(1) through (d)(4), (e)(1), (e)(4)(G), (e)(4)(H), and (e)(4)(I), and (f).

3. *Authority:* 5 U.S.C. 552a(k)(2).

4. *Reasons:* From subsection (c)(3) because granting access to the accounting for each disclosure as required by the Privacy Act, including the date, nature, and purpose of each disclosure and the identity of the recipient, could alert the subject to the existence of the investigation or prosecutive interest by DLA or other agencies. This could seriously compromise case preparation by prematurely revealing its existence and nature; compromise or interfere with witnesses or make witnesses reluctant to cooperate; and lead to suppression, alteration, or destruction of evidence.

From subsections (d)(1) through (d)(4), and (f) because providing access to records of a civil investigation and the right to contest the contents of those records and force changes to be made to the information contained therein would seriously interfere with and thwart the orderly and unbiased conduct of the investigation and impede case preparation. Providing access rights normally afforded under the Privacy Act would provide the subject with valuable information that would allow interference with or compromise of witnesses or render witnesses reluctant to cooperate; lead to suppression, alteration, or destruction of evidence; and result in the secreting of or other disposition of assets that would make them difficult or impossible to reach in order to satisfy any Government claim growing out of the investigation or proceeding.

From subsection (e)(1), because it is not always possible to detect the relevance or necessity of each piece of information in the early stages of an investigation. In some cases, it is only after the information is evaluated in light of other evidence that its relevance and necessity will be clear.

From subsections (e)(4)(G) and (e)(4)(H) because there is no necessity for such publication since the system of records will be exempt from the underlying duties to provide notification about and access to information in the system and to make amendments to and corrections of the information in the system. However, DLA will continue to publish such a notice in broad generic terms as is its current practice.

From subsection (e)(4)(I) because to the extent that this provision is construed to require more detailed disclosure than the broad, generic information currently published in the system notice, an exemption from this provision is necessary to protect the confidentiality of sources of information and to protect privacy and physical safety of witnesses and informants. DLA will, nevertheless, continue to publish such a notice in broad generic terms as is its current practice.

e. *ID: S500.60 CA (Specific exemption).*

1. *System name:* DLA Complaint Program Records.

2. *Exemption:* (i) Investigatory material compiled for law enforcement purposes may be exempt pursuant to 5 U.S.C. 552a(k)(2). However, if an individual is denied any right, privilege, or benefit for which he would otherwise be entitled by Federal law or for which he would otherwise be eligible, as a result of the maintenance of the information, the individual will be provided access to the information except to the extent that disclosure would reveal the identity of a confidential source.

(ii) Investigatory material compiled solely for the purpose of determining suitability, eligibility, or qualifications for federal civilian employment, military service, federal contracts, or access to classified information may be exempt pursuant to 5 U.S.C. 552a(k)(5), but only to the extent that such material would reveal the identity of a confidential source.

3. *Authority:* 5 U.S.C. 552a(k)(2) and (k)(5), subsections (c)(3), (d)(1) through (d)(4), (e)(1), (e)(4)(G), (H), and (I), and (f).

4. *Reasons:* (i) From subsection (c)(3) because to grant access to an accounting of disclosures as required by the Privacy Act, including the date, nature, and purpose of each disclosure and the identity of the recipient, could alert the subject to the existence of the investigation or prosecutive interest by DLA or other agencies. This could seriously compromise case preparation by prematurely revealing its existence and nature; compromise or interfere with witnesses or make witnesses reluctant to cooperate; and lead to suppression, alteration, or destruction of evidence.

(ii) From subsections (d)(1) through (d)(4), and (f) because providing access to records of a civil or administrative investigation and the right to contest the contents of those records and force changes to be made to the information contained therein would seriously interfere with and thwart the orderly and unbiased conduct of the investigation

and impede case preparation. Providing access rights normally afforded under the Privacy Act would provide the subject with valuable information that would allow interference with or compromise of witnesses or render witnesses reluctant to cooperate; lead to suppression, alteration, or destruction of evidence; enable individuals to conceal their wrongdoing or mislead the course of the investigation; and result in the secreting of or other disposition of assets that would make them difficult or impossible to reach in order to satisfy any Government claim growing out of the investigation or proceeding.

(iii) From subsection (e)(1) because it is not always possible to detect the relevance or necessity of each piece of information in the early stages of an investigation. In some cases, it is only after the information is evaluated in light of other evidence that its relevance and necessity will be clear.

(iv) From subsections (e)(4)(G) and (H) because this system of records is compiled for law enforcement purposes and is exempt from the access provisions of subsections (d) and (f).

(v) From subsection (e)(4)(I) because to the extent that this provision is construed to require more detailed disclosure than the broad, generic information currently published in the system notice, an exemption from this provision is necessary to protect the confidentiality of sources of information and to protect privacy and physical safety of witnesses and informants. DLA will, nevertheless, continue to publish such a notice in broad generic terms as is its current practice.

[DLAR 5400.21, 51 FR 33595, Sept. 22, 1986. Redesignated at 56 FR 57803, Nov. 14, 1991, as amended at 55 FR 32913, Aug. 13, 1990; 57 FR 40609, Sept. 4, 1992; 59 FR 9668, Mar. 1, 1994; 60 FR 3088, Jan. 13, 1995; 61 FR 2916, Jan. 30, 1996; 63 FR 25772, May 11, 1998]

PART 324—DFAS PRIVACY ACT PROGRAM

Subpart A—General Information

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APPENDIX A TO PART 324—DFAS REPORTING REQUIREMENTS
APPENDIX B TO PART 324—SYSTEM OF RECORDS NOTICE

AUTHORITY: Pub. L. 93–579, 88 Stat 1896 (5 U.S.C. 552a).

SOURCE: 61 FR 25561, May 22, 1996, unless otherwise noted.

Subpart A—General information

§ 324.1 Issuance and purpose.

The Defense Finance and Accounting Service fully implements the policy and procedures of the Privacy Act and the DoD 5400.11-R [1], 'Department of Defense Privacy Program' (see 32 CFR part 310). This regulation supplements the DoD Privacy Program only to establish policy for the Defense Finance and Accounting Service (DFAS) and provide DFAS unique procedures.

§ 324.2 Applicability and scope.

This regulation applies to all DFAS, Headquarters, DFAS Centers, the Financial System Organization (FSO), and other organizational components. It applies to contractor personnel who have entered a contractual agreement with DFAS. Prospective contractors will be advised of their responsibilities under the Privacy Act Program.

§ 324.3 Policy.

DFAS personnel will comply with the Privacy Act of 1974, the DoD Privacy Program and the DFAS Privacy Act Program. Strict adherence is required to ensure uniformity in the implementation of the DFAS Privacy Act Program and to create conditions that will foster public trust. Personal information maintained by DFAS organizational elements will be safeguarded. Information will be made available to the individual to whom it pertains to the maximum extent practicable. Specific

[1] Copies may be obtained at cost from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

DFAS policy is provided for Privacy Act training, responsibilities, reporting procedures and implementation requirements. DFAS Components will not define policy for the Privacy Act Program.

§324.4 Responsibilities.

(a) *Director, DFAS.* (1) Ensures the DFAS Privacy Act Program is implemented at all DFAS locations.

(2) The Director, DFAS, will be the Final Denial Appellate Authority. This authority may be delegated to the Director for Resource Management.

(3) Appoints the Director for External Affairs and Administrative Support, or a designated replacement, as the DFAS Headquarters Privacy Act Officer.

(b) *DFAS Headquarters General Counsel.* (1) Ensures uniformity is maintained in legal rulings and interpretation of the Privacy Act.

(2) Consults with DoD General Counsel on final denials that are inconsistent with other final decisions within DoD. Responsible to raise new legal issues of potential significance to other Government agencies.

(3) Provides advice and assistance to the DFAS Director, Center Directors, and the FSO as required, in the discharge of their responsibilities pertaining to the Privacy Act.

(4) Acts as the DFAS focal point on Privacy Act litigation with the Department of Justice.

(5) Reviews Headquarters' denials of initial requests and appeals.

(c) *DFAS Center Directors.* (1) Ensures that all DFAS Center personnel, all personnel at subordinate levels, and contractor personnel working with personal data comply with the DFAS Privacy Act Program.

(2) Serves as the DFAS Center Initial Denial Authority for requests made as a result of denying release of requested information at locations within DFAS Center authority. Initial denial authority may not be redelegated. Initial denial appeals will be forwarded to the appropriate DFAS Center marked to the attention of the DFAS Center Initial Denial Authority.

(d) *Director, FSO.* (1) Ensures that FSO and subordinate personnel and contractors working with personal data comply with the Privacy Act Program.

(2) Serves as the FSO Initial Denial Authority for requests made as a result of denying release of requested information at locations within FSO authority. FSO Initial denial authority may not be redelegated.

(3) Appoints a Privacy Act Officer for the FSO and each Financial System Activity (FSA).

(e) *DFAS Headquarters Privacy Act Officer.* (1) Establishes, issues and updates policy for the DFAS Privacy Act Program and monitors compliance. Serves as the DFAS single point of contact on all matters concerning Privacy Act policy. Resolves any conflicts resulting from implementation of the DFAS Privacy Act Program policy.

(2) Serves as the DFAS single point of contact with the Department of Defense Privacy Office. This duty may be delegated.

(3) Ensures that the collection, maintenance, use and/or dissemination of records of identifiable personal information is for a necessary and lawful purpose, that the information is current and accurate for the intended use and that adequate security safeguards are provided.

(4) Monitors system notices for agency systems of records. Ensures that new, amended, or altered notices are promptly prepared and published. Reviews all notices submitted by the DFAS Privacy Act Officers for correctness and submits same to the Department of Defense Privacy Office for publication in the FEDERAL REGISTER. Maintains and publishes a listing of DFAS Privacy Act system notices.

(5) Establishes DFAS Privacy Act reporting requirement due dates. Compiles all Agency reports and submits the completed annual report to the Defense Privacy Office. DFAS reporting requirements are provided in appendix A to this part.

(6) Conducts annual Privacy Act Program training for DFAS Headquarters (HQ) personnel. Ensures that subordinate DFAS Center and FSO Privacy Act Officers fulfill annual training requirements.

(f) *FSO and Financial System Activities (FSAs) Legal Support.* The FSO and subordinate FSA organizational elements

will be supported by the appropriate DFAS-HQ or DFAS Center General Counsel office.

(g) *DFAS Center(s) Assistant General Counsel.* (1) Ensures uniformity is maintained in legal rulings and interpretation of the Privacy Act and this regulation. Consults with the DFAS-HQ General Counsel as required.

(2) Provides advice and assistance to the DFAS Center Director and the FSA in the discharge of his/her responsibilities pertaining to the Privacy Act.

(3) Coordinates on DFAS Center and the FSA denials of initial requests.

(h) *DFAS Center Privacy Act Officer.* (1) Implements and administers the DFAS Privacy Act Program for all personnel, to include contractor personnel, within the Center, Operating Locations (OpLocs) and Defense Accounting Offices (DAOs).

(2) Ensures that the collection, maintenance, use, or dissemination of records of identifiable personal information is in a manner that assures that such action is for a necessary and lawful purpose; the information is timely and accurate for its intended use; and that adequate safeguards are provided to prevent misuse of such information. Advises the Program Manager that systems notices must be published in the FEDERAL REGISTER prior to collecting or maintenance of the information. Submits system notices to the DFAS-HQ Privacy Act Officer for review and subsequent submission to the Department of Defense Privacy Office.

(3) Administratively controls and processes Privacy Act requests. Ensures that the provisions of this regulation and the DoD Privacy Act Program are followed in processing requests for records. Ensures all Privacy Act requests are promptly reviewed. Coordinates the reply with other organizational elements as required.

(4) Prepares denials and partial denials for the Center Director's signature and obtain required coordination with the assistant General Counsel. Responses will include written justification citing a specific exemption or exemptions.

(5) Prepares input for the annual Privacy Act Report as required using the guidelines provided in appendix A to this part.

(6) Conducts training on the DFAS Privacy Act Program for Center personnel.

(i) *FSO Privacy Act Officer.* (1) Implements and administers the DFAS Privacy Act Program for all personnel, to include contractor personnel, within the FSO.

(2) Ensures that the collection, maintenance, use, or dissemination of records of identifiable personal information is in a manner that assures that such action is for a necessary and lawful purpose; the information is timely and accurate for its intended use; and that adequate safeguards are provided to prevent misuse of such information. Advises the Program Manager that systems notices must be published in the FEDERAL REGISTER prior to collecting or maintenance of the information. Submits system notices to the DFAS-HQ Privacy Act Officer for review and subsequent submission to the Department of Defense Privacy Office.

(3) Administratively controls and processes Privacy Act requests. Ensures that the provisions of this regulation and the DoD Privacy Act Program are followed in processing requests for records. Ensure all Privacy Act requests are promptly reviewed. Coordinate the reply with other organizational elements as required.

(4) Prepares denials and partial denials for signature by the Director, FSO and obtains required coordination with the assistant General Counsel. Responses will include written justification citing a specific exemption or exemptions.

(5) Prepares input for the annual Privacy Act Report (RCS: DD DA&M(A)1379) as required using the guidelines provided in appendix A to this part.

(6) Conducts training on the DFAS Privacy Act Program for FSO personnel.

(j) *DFAS employees.* (1) Will not disclose any personal information contained in any system of records, except as authorized by this regulation.

(2) Will not maintain any official files which are retrieved by name or other personal identifier without first

ensuring that a system notice has been published in the FEDERAL REGISTER.

(3) Reports any disclosures of personal information from a system of records or the maintenance of any system of records not authorized by this regulation to the appropriate Privacy Act Officer for action.

(k) *DFAS system managers (SM).* (1) Ensures adequate safeguards have been established and are enforced to prevent the misuse, unauthorized disclosure, alteration, or destruction of personal information contained in system records.

(2) Ensures that all personnel who have access to the system of records or are engaged in developing or supervising procedures for handling records are totally aware of their responsibilities to protect personal information established by the DFAS Privacy Act Program.

(3) Evaluates each new proposed system of records during the planning stage. The following factors should be considered:

(i) Relationship of data to be collected and retained to the purpose for which the system is maintained. All information must be relevant to the purpose.

(ii) The impact on the purpose or mission if categories of information are not collected. All data fields must be necessary to accomplish a lawful purpose or mission.

(iii) Whether informational needs can be met without using personal identifiers.

(iv) The disposition schedule for information.

(v) The method of disposal.

(vi) Cost of maintaining the information.

(4) Complies with the publication requirements of DoD 5400.11-R, 'Department of Defense Privacy Program' (see 32 CFR part 310). Submits final publication requirements to the appropriate DFAS Privacy Act Officer.

(l) *DFAS program manager(s).* Reviews system alterations or amendments to evaluate for relevancy and necessity. Reviews will be conducted annually and reports prepared outlining the results and corrective actions taken to resolve problems. Reports will be forwarded to the appropriate Privacy Act Officer.

(m) *Federal government contractors.* When a DFAS organizational element contracts to accomplish an agency function and performance of the contract requires the operation of a system of records or a portion thereof, DoD 5400.11-R, 'Department of Defense Privacy Program' (see 32 CFR part 310) and this part apply. For purposes of criminal penalties, the contractor and its employees shall be considered employees of DFAS during the performance of the contract.

(1) *Contracting involving operation of systems of records.* Consistent with Federal Acquisition Regulation (FAR)[2] and the DoD Supplement to the Federal Acquisition Regulation (DFAR)[3], Part 224.1, contracts involving the operation of a system of records or portion thereof shall specifically identify the record system, the work to be performed and shall include in the solicitations and resulting contract such terms specifically prescribed by the FAR and DFAR.

(2) *Contracting.* For contracting subject to this part, the Agency shall:

(i) Informs prospective contractors of their responsibilities under the DFAS Privacy Act Program.

(ii) Establishes an internal system for reviewing contractor performance to ensure compliance with the DFAS Privacy Act Program.

(3) *Exceptions.* This rule does not apply to contractor records that are:

(i) Established and maintained solely to assist the contractor in making internal contractor management decisions, such as records maintained by the contractor for use in managing the contract.

(ii) Maintained as internal contractor employee records, even when used in conjunction with providing goods or services to the agency.

(4) *Contracting procedures.* The Defense Acquisition Regulatory Council is responsible for developing the specific policies and procedures for soliciting, awarding, and administering contracts.

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[2] Copies may be obtained at cost from the Superintendent of Documents, P.O. Box 37195, Pittsburgh, PA 15250–7954.

[3] See footnote 2 to § 324.4(m)(1)

(5) *Disclosing records to contractors.* Disclosing records to a contractor for use in performing a DFAS contract is considered a disclosure within DFAS. The contractor is considered the agent of DFAS when receiving and maintaining the records for the agency.

Subpart B—Systems of Records

§ 324.5 General information.

(a) The provisions of DoD 5400.11-R, 'Department of Defense Privacy Program' (see 32 CFR part 310) apply to all DFAS systems of records. DFAS Privacy Act Program Procedural Rules, DFAS Exemption Rules and System of Record Notices are the three types of documents relating to the Privacy Act Program that must be published in the FEDERAL REGISTER.

(b) A system of records used to retrieve records by a name or some other personal identifier of an individual must be under DFAS control for consideration under this regulation. DFAS will maintain only those Systems of Records that have been described through notices published in the FEDERAL REGISTER.

(1) *First amendment guarantee.* No records will be maintained that describe how individuals exercise their rights guaranteed by the First Amendment unless maintenance of the record is expressly authorized by Statute, the individual or for an authorized law enforcement purpose.

(2) *Conflicts.* In case of conflict, the provisions of DoD 5400.11-R take precedence over this supplement or any DFAS directive or procedure concerning the collection, maintenance, use or disclosure of information from individual records.

(3) *Record system notices.* Record system notices are published in the FEDERAL REGISTER as notices and are not subject to the rule making procedures. The public must be given 30 days to comment on any proposed routine uses prior to implementing the system of record.

(4) *Amendments.* Amendments to system notices are submitted in the same manner as the original notices.

§ 324.6 Procedural rules.

DFAS procedural rules (regulations having a substantial and direct impact on the public) must be published in the FEDERAL REGISTER first as a proposed rule to allow for public comment and then as a final rule. Procedural rules will be submitted through the appropriate DFAS Privacy Act Officer to the Department of Defense Privacy Office. Appendix B to this part provides the correct format. Guidance may be obtained from the DFAS-HQ and DFAS Center Records Managers on the preparation of procedural rules for publication.

§ 324.7 Exemption rules.

(a) *Submitting proposed exemption rules.* Each proposed exemption rule submitted for publication in the FEDERAL REGISTER must contain: The agency identification and name of the record system for which an exemption will be established; The subsection(s) of the Privacy Act which grants the agency authority to claim an exemption for the system; The particular subsection(s) of the Privacy Act from which the system will be exempt; and the reasons why an exemption from the particular subsection identified in the preceding subparagraph is being claimed. No exemption to all provisions of the Privacy Act for any System of records will be granted. Only the Director, DFAS may make a determination that an exemption should be established for a system of record.

(b) *Submitting exemption rules for publication.* Exemption rules must be published in the FEDERAL REGISTER first as proposed rules to allow for public comment, then as final rules. No system of records shall be exempt from any provision of the Privacy Act until the exemption rule has been published in the FEDERAL REGISTER as a final rule. The DFAS Privacy Act Officer will submit proposed exemption rules, in proper format, to the Defense Privacy Office, for review and submission to the FEDERAL REGISTER for publication. Amendments to exemption rules are submitted in the same manner as the original exemption rules.

(c) *Exemption for classified records.* Any record in a system of records maintained by the Defense Finance and

Accounting Service which falls within the provisions of 5 U.S.C. 552a(k)(1) may be exempt from the following subsections of 5 U.S.C. 552a: (c)(3), (d), (e)(1), (e)(4)(G)-(e)(4)(I) and (f) to the extent that a record system contains any record properly classified under Executive Order 12589 and that the record is required to be kept classified in the interest of national defense or foreign policy. This specific exemption rule, claimed by the Defense Finance and Accounting Service under authority of 5 U.S.C. 552a(k)(1), is applicable to all systems of records maintained, including those individually designated for an exemption herein as well as those not otherwise specifically designated for an exemption, which may contain isolated items of properly classified information

(1) *General exemptions.* [Reserved]

(2) *Specific exemptions.* [Reserved]

Subpart C—Individual Access to Records

§324.8 Right of access.

The provisions of DoD 5400.11-R, 'Department of Defense Privacy Program' (see 32 CFR part 310) apply to all DFAS personnel about whom records are maintained in systems of records. All information that can be released consistent with applicable laws and regulations should be made available to the subject of record.

§324.9 Notification of record's existence.

All DFAS Privacy Act Officers shall establish procedures for notifying an individual, in response to a request, if the system of records contains a record pertaining to him/her.

§324.10 Individual requests for access.

Individuals shall address requests for access to records to the appropriate Privacy Act Officer by mail or in person. Requests for access should be acknowledged within 10 working days after receipt and provided access within 30 working days. Every effort will be made to provide access rapidly; however, records cannot usually be made available for review on the day of request. Requests must provide information needed to locate and identify the record, such as individual identifiers required by a particular system, to include the requester's full name and social security number.

§324.11 Denials.

Only a designated denial authority may deny access. The denial must be in writing.

§324.12 Granting individual access to records.

(a) The individual should be granted access to the original record (or exact copy) without any changes or deletions. A record that has been amended is considered the original.

(b) The DFAS component that maintains control of the records will provide an area where the records can be reviewed. The hours for review will be set by each DFAS location.

(c) The custodian will require presentation of identification prior to providing access to records. Acceptable identification forms include military or government civilian identification cards, driver's license, or other similar photo identification documents.

(d) Individuals may be accompanied by a person of their own choosing when reviewing the record; however, the custodian will not discuss the record in the presence of the third person without written authorization.

(e) On request, copies of the record will be provided at a cost of $.15 per page. Fees will not be assessed if the cost is less that $30.00. Individuals requesting copies of their official personnel records are entitled to one free copy and then a charge will be assessed for additional copies.

§324.13 Access to medical and psychological records.

Individual access to medical and psychological records should be provided, even if the individual is a minor, unless it is determined that access could have an adverse effect on the mental or physical health of the individual. In this instance, the individual will be asked to provide the name of a personal physician, and the record will be provided to that physician in accordance with guidance in Department of

Defense 5400.11-R, 'Department of Defense Privacy Program' (see 32 CFR part 310).

§ 324.14 Relationship between the Privacy Act and the Freedom of Information Act.

Access requests that specifically state or reasonably imply that they are made under FOIA, are processed pursuant to the DFAS Freedom of Information Act Regulation. Access requests that specifically state or reasonably imply that they are made under the PA are processed pursuant to this regulation. Access requests that cite both the FOIA and the PA are processed under the Act that provides the greater degree of access. Individual access should not be denied to records otherwise releasable under the PA or the FOIA solely because the request does not cite the appropriate statute. The requester should be informed which Act was used in granting or denying access.

APPENDIX A TO PART 324—DFAS REPORTING REQUIREMENTS

By February 1, of each calendar year, DFAS Centers and Financial Systems Organizations will provide the DFAS Headquarters Privacy Act Officer with the following information:

1. Total Number of Requests for Access:
a. Number granted in whole:
b. Number granted in part:
c. Number wholly denied:
d. Number for which no record was found:
2. Total Number of Requests to Amend Records in the System:
a. Number granted in whole:
b. Number granted in part:
c. Number wholly denied:
3. The results of reviews undertaken in response to paragraph 3a of Appendix I to OMB Circular A-130[4].

APPENDIX B TO PART 324—SYSTEM OF RECORDS NOTICE

The following data captions are required for each system of records notice published in the FEDERAL REGISTER. An explanation for each caption is provided.

1. *System identifier.* The system identifier must appear in all system notices. It is limited to 21 positions, including agency code, file number, symbols, punctuation, and spaces.

2. *Security classification.* Self explanatory. (DoD does not publish this caption. However, each agency is responsible for maintaining the information.)

3. *System name.* The system name must indicate the general nature of the system of records and, if possible, the general category of individuals to whom it pertains. Acronyms should be established parenthetically following the first use of the name (e.g., 'Field Audit Office Management Information System (FMIS)'). Acronyms shall not be used unless preceded by such an explanation. The system name may not exceed 55 character positions, including punctuation and spaces.

4. *Security classification.* This category is not published in the FEDERAL REGISTER but is required to be kept by the Headquarters Privacy Act Officer.

5. *System location.* a. For a system maintained in a single location, provide the exact office name, organizational identity, routing symbol, and full mailing address. Do not use acronyms in the location address.

b. For a geographically or organizationally decentralized system, describe each level of organization or element that maintains a portion of the system of records.

c. For an automated data system with a central computer facility and input or output terminals at geographically separate locations, list each location by category.

d. If multiple locations are identified by type of organization, the system location may indicate that official mailing addresses are published as an appendix to the agency's compilation of systems of records notices in the FEDERAL REGISTER. If no address directory is used, or if the addresses in the directory are incomplete, the address of each location where a portion of the record system is maintained must appear under the 'system location' caption.

e. Classified addresses shall not be listed but the fact that they are classified shall be indicated.

f. The U.S. Postal Service two-letter state abbreviation and the nine-digit zip code shall be used for all domestic addresses.

6. *Categories of individuals covered by the system.* Use clear, non technical terms which show the specific categories of individuals to whom records in the system pertain. Broad descriptions such as 'all DFAS personnel' or 'all employees' should be avoided unless the term actually reflects the category of individuals involved.

7. *Categories of records in the system.* Use clear, non technical terms to describe the types of records maintained in the system. The description of documents should be limited to those actually retained in the system of records. Source documents used only to collect data and then destroyed should not be described.

8. *Authority for maintenance of the system.* The system of records must be authorized by

[4] Copies available from the Office of Personnel Management, 1900 E. Street, Washington, DC 20415.

a Federal law or Executive Order of the President, and the specific provision must be cited. When citing federal laws, include the popular names (e.g., '5 U.S.C. 552a, The Privacy Act of 1974') and for Executive Orders, the official titles (e.g., 'Executive Order 9397, Numbering System for Federal Accounts Relating to Individual Persons').

9. *Purpose(s).* The specific purpose(s) for which the system of records was created and maintained; that is, the uses of the records within DFAS and the rest of the Department of Defense should be listed.

10. *Routine uses of records maintained in the system, including categories of users and purposes of the uses.* All disclosures of the records outside DoD, including the recipient of the disclosed information and the uses the recipient will make of it should be listed. If possible, the specific activity or element to which the record may be disclosed (e.g., 'to the Department of Veterans Affairs, Office of Disability Benefits') should be listed. General statements such as 'to other Federal Agencies as required' or 'to any other appropriate Federal Agency' should not be used. The blanket routine uses, published at the beginning of the agency's compilation, applies to all system notices, unless the individual system notice states otherwise.

11. *Disclosure to consumer reporting agencies.* This entry is optional for certain debt collection systems of records.

12. *Policies and practices for storing, retrieving, accessing, retaining, and disposing of records in the system.* This section is divided into four parts.

13. *Storage.* The method(s) used to store the information in the system (e.g., 'automated, maintained in computers and computer output products' or 'manual, maintained in paper files' or 'hybrid, maintained in paper files and in computers') should be stated. Storage does not refer to the container or facility in which the records are kept.

14. *Retrievability.* How records are retrieved from the system (e.g., 'by name,' 'by SSN,' or 'by name and SSN') should be indicated.

15. *Safeguards.* The categories of agency personnel who use the records and those responsible for protecting the records from unauthorized access should be stated. Generally the methods used to protect the records, such as safes, vaults, locked cabinets or rooms, guards, visitor registers, personnel screening, or computer 'fail-safe' systems software should be identified. Safeguards should not be described in such detail as to compromise system security.

16. *Retention and disposal.* Describe how long records are maintained. When appropriate, the length of time records are maintained by the agency in an active status, when they are transferred to a Federal Records Center, how long they are kept at the Federal Records Center, and when they are transferred to the National Archives or destroyed should be stated. If records eventually are destroyed, the method of destruction (e.g., shredding, burning, pulping, etc.) should be stated. If the agency rule is cited, the applicable disposition schedule shall also be identified.

17. *System manager(s) and address.* The title (not the name) and address of the official or officials responsible for managing the system of records should be listed. If the title of the specific official is unknown, such as with a local system, the local director or office head as the system manager should be indicated. For geographically separated or organizationally decentralized activities with which individuals may correspond directly when exercising their rights, the position or title of each category of officials responsible for the system or portion thereof should be listed. Addresses that already are listed in the agency address directory or simply refer to the directory should not be included.

18. *Notification procedures.* Notification procedures describe how an individual can determine if a record in the system pertains to him/her. If the record system has been exempted from the notification requirements of subsection (f)(l) or subsection (e)(4)(G) of the Privacy Act, it should be so stated. If the system has not been exempted, the notice must provide sufficient information to enable an individual to request notification of whether a record in the system pertains to him/her. Merely referring to a DFAS regulation is not sufficient. This section should also include the title (not the name) and address of the official (usually the Program Manager) to whom the request must be directed; any specific information the individual must provide in order for DFAS to respond to the request (e.g., name, SSN, date of birth, etc.); and any description of proof of identity for verification purposes required for personal visits by the requester.

19. *Record access procedures.* This section describes how an individual can review the record and obtain a copy of it. If the system has been exempted from access and publishing access procedures under subsections (d)(1) and (e)(4)(H), respectively, of the Privacy Act, it should be so indicated. If the system has not been exempted, describe the procedures an individual must follow in order to review the record and obtain a copy of it, including any requirements for identity verification. If appropriate, the individual may be referred to the system manager or another DFAS official who shall provide a detailed description of the access procedures. Any addresses already listed in the address directory should not be repeated.

20. *Contesting records procedures.* This section describes how an individual may challenge the denial of access or the contents of a record that pertains to him or her. If the system of record has been exempted from allowing amendments to records or publishing

amendment procedures under subsections (d)(1) and (e)(4)(H), respectively, of the Privacy Act, it should be so stated. If the system has not been exempted, this caption describes the procedures an individual must follow in order to challenge the content of a record pertaining to him/her, or explain how he/she can obtain a copy of the procedures (e.g., by contacting the Program Manager or the appropriate DFAS Privacy Act Officer).

21. *Record source categories.* If the system has been exempted from publishing record source categories under subsection (e)(4)(I) of the Privacy Act, it should be so stated. If the system has not been exempted, this caption must describe where DFAS obtained the information maintained in the system. Describing the record sources in general terms is sufficient; specific individuals, organizations, or institutions need not be identified.

22. *Exemptions claimed for the system.* If no exemption has been established for the system, indicate 'None.' If an exemption has been established, state under which provision of the Privacy Act it is established (e.g., 'Portions of this system of records may be exempt under the provisions of 5 U.S.C. 552a(k)(2).')

SUBCHAPTER P—OBTAINING DOD INFORMATION

PART 336—PUBLICATIONS OF PROPOSED AND ADOPTED REGULATIONS AFFECTING THE PUBLIC

Sec.
336.1 Purpose.
336.2 Applicability and scope.
336.3 Policy.
336.4 Proposed regulations.
336.5 Publication in the FEDERAL REGISTER of adopted regulations and other matters.
336.6 Petitions.
336.7 Effective date and implementation.

AUTHORITY: 10 U.S.C. 125.

§ 336.1 Purpose.

This part:

(a) Establishes a policy and procedure by which the Department of Defense will invite the comments of the public on those of its proposed regulations and other types of rulemaking as described hereafter which originate within the Department of Defense as a requirement of general applicability and future effect designed to implement, interpret, or prescribe law or policy, or practice or procedure requirements of a component. This requirement applies to those regulations which constitute the authority for actions having a substantial and direct impact on the public when consistent with other responsibilities of the Department for the efficient and responsible conduct of public business.

(b) Implements the provisions of 5 U.S.C. 552 relating to the kinds of regulations that must be published in the FEDERAL REGISTER after they are adopted.

[40 FR 4911, Feb. 3, 1975. Redesignated at 56 FR 64482, Dec. 10, 1991]

§ 336.2 Applicability and scope.

(a) The provisions of this part apply to the Office of the Secretary of Defense, the Military Departments, the Organization of the Joint Chiefs of Staff, and the Defense Agencies (hereinafter referred to singularly as a ''DoD component'' or collectively as ''DoD components'').

(b) These provisions are applicable to those directives, instructions, regulations, policy memoranda, manuals, and other forms of rulemaking (hereinafter referred to as ''regulations'') that have a substantial and direct impact on the public. Only a regulation which must be published in the FEDERAL REGISTER after its adoption in accordance with 5 U.S.C. 552 (as implemented in § 336.5) comes within the requirement that it be evaluated to determine whether it will have the substantial and direct impact on the public that warrants an invitation for public comment prior to its adoption. An implementation by a subordinate component of a regulation adopted by a component at a higher level within the Department of Defense is not deemed to ''originate'' a requirement of general applicability and future effect, and therefore, does not fall within the scope of the obligation to invite public comment on its provisions.

(c) The determination by the component originating a regulation shall be final and conclusive in determining whether a regulation or a proposed regulation comes within the purview of this part. Consideration shall be given, however, to the definition of ''rulemaking'' found in 5 U.S.C. 551 as it relates to the requirements of 5 U.S.C. 553 in making this determination.

(d) The requirement for inviting public comment on a proposed regulation shall not be deemed applicable to any proposed regulation coming within one or more of the following exemptions or exceptions to the rulemaking procedures set forth in 5 U.S.C. 553.

(1) Any matter pertaining to a military or foreign affairs function of the United States which has been determined under the criteria of an Executive Order or statute to require a security classification in the interests of national defense or foreign policy.

(2) Any matter relating to (i) agency management, (ii) agency personnel, or (iii) public contracts (e.g., the Armed Services Procurement Regulation), including nonappropriated fund contracts.

(3) Any matter involving (i) interpretative rules, (ii) general statements of

policy, or (iii) rules of agency organization, procedure, or practice.

(4) Any situation in which the DoD Component for good cause finds that inviting public comment on a proposed regulation is (i) impracticable, (ii) unnecessary, or (iii) contrary to the public interest, and incorporates in the adopted regulation that determination and its basis.

(e) Exceptions to the requirement in 5 U.S.C. 552 for publication in the FEDERAL REGISTER of adopted regulations for the guidance of the public shall be made in accordance with guidance provided in 32 CFR 286.8.

[40 FR 4911, Feb. 3, 1975. Redesignated at 41 FR 27074, July 1, 1976, and further redesignated and amended at 56 FR 64482, Dec. 10, 1991]

§ 336.3 Policy.

(a) It is the policy of the Department of Defense to encourage the maximum practicable participation of the public in the formulation of regulations having a substantial and direct impact on the public, and to inform the public fully through publication in the FEDERAL REGISTER of all adopted regulations intended for public guidance.

(b) A proposed regulation which would originate a Department of Defense policy having a substantial and direct impact on the public should be published, along with a notice of purpose and authority, in the FEDERAL REGISTER in order to invite public comment within a designated time at least 30 days prior to its intended adoption. This policy should be followed even though the proposed regulation may come within one or more of the exceptions or exemptions to the requirement for prepublication of proposed rules described in § 336.2(d) (2) (i) and (ii), (3) and (4), unless it is determined by the DoD Component as a matter within its sole and exclusive prerogative that the employment of the exception or exemption is appropriate to satisfy a significant and legitimate interest of the DoD Component or the public.

(c) After their adoption, all regulations for the guidance of the public shall be published in the FEDERAL REGISTER in accordance with 5 U.S.C. 552, even though they may come within one or more of the exemptions described in 32 CFR 286.6. If no significant and legitimate interest of the DoD Component or public precludes such publication. This policy extends to some adopted regulations for the guidance of the public which were not the subject of notice and public comment.

[40 FR 4911, Feb. 3, 1975. Redesignated at 41 FR 27074, July 1, 1976, and further redesignated and amended at 56 FR 64482, Dec. 10, 1991]

§ 336.4 Proposed regulations.

(a) The general notice of a proposed regulation shall be published in the FEDERAL REGISTER in accordance with the guidance contained in the ''Federal Register Handbook on Document Drafting'' (GSA), whenever that regulation would have a substantial and direct impact on the public or any significant portion of the public, unless it comes within one or more of the exceptions or exemptions previously set forth in § 336.2(d).

(b) The notice shall include:

(1) A statement of the purpose and objective of the proposed regulation;

(2) Reference to the legal authority under which the regulation is proposed; and

(3) The terms or substance of the proposed regulation.

(c) Whenever the originating DoD Component finds that notice and prepublication of a proposed regulation for public comment are impracticable, unnecessary, or contrary to the public interest, it shall incorporate that finding and a brief statement of its reasons in the adopted regulation, or it may adopt and publish in the FEDERAL REGISTER a separate regulation excepting or exempting categories of regulations for any of these reasons, with an explanation of the basis for excepting or exempting each particular category. Separate regulations for this purpose shall be promulgated by the procedures for proposed rules whenever this falls within the requirements of paragraph (a) of this section.

(d) Following the publication of notice and the proposed regulation in the FEDERAL REGISTER, the DoD Component shall give all interested persons an opportunity to participate in the rulemaking through the submission of written data, views, or arguments. An

opportunity for oral presentation will normally not be provided, but may as a matter within the sole and exclusive prerogative of the component be extended where it is found to be in the interest of the DoD Component or the public. After careful consideration of all relevant matter presented, the component shall incorporate in the adopted regulation a concise general statement of its basis and purpose. A preamble to the adopted regulation may be published in the FEDERAL REGISTER to explain the relationship of the adopted rule to the proposed rule, including the nature and effect of public comments.

[40 FR 4911, Feb. 3, 1975. Redesignated at 41 FR 27074, July 1, 1976, and further redesignated and amended at 56 FR 64482, Dec. 10, 1991]

§336.5 Publication in the Federal Register of adopted regulations and other matters.

Subject to the exemptions set forth in 32 CFR 286.6:

(a) Each DoD Component shall publish in the FEDERAL REGISTER an informative, current description for the guidance of the public, of where, how, and by what authority it performs any of its functions. In deciding which information to publish in the FEDERAL REGISTER a DoD Component shall consider the fundamental objective of informing all interested persons of how to deal effectively with the component.

(b) Information to be published in the FEDERAL REGISTER shall include:

(1) Descriptions of the central and field organization of the component concerned, and the established places at which, the employees or members of the armed forces from whom, and the methods whereby the public may secure information, make submittals or requests, or obtain decisions.

(2) The procedures by which a DoD Component conducts its business with the public, both formally and informally.

(3) The rules of procedure which must be followed, the description of forms which must be completed, or the source from which forms may be obtained, and instructions on the scope and content of papers, reports, examinations required to be submitted pursuant to such rules of procedures, as adopted by the component.

(4) Directives, instructions, regulations, manuals, policy memorandums, statements of general policy, or interpretation of general applicability adopted by the agency, and other substantive rules of general applicability affecting the public.

(c) With the approval of the Director of the FEDERAL REGISTER, the requirement for publication in the FEDERAL REGISTER (1 CFR part 51, 37 FR 23614, Nov. 4, 1972) may be satisfied by reference in the FEDERAL REGISTER to other publications reasonably available to the class of persons affected and containing the information which must otherwise be published in the FEDERAL REGISTER.

(1) In order to be eligible for incorporation by reference, the matter must be in the nature of published data, criteria, standards, specifications, techniques, illustrations, or other published information reasonably available to members of class affected thereby.

(2) Incorporation by reference is not acceptable as a complete substitute for promulgating in full text material required to be published by 5 U.S.C. 552.

(3) Incorporation by reference is acceptable as a means of avoiding unnecessary repetition within the promulgated document of published information already reasonably available to the class affected. Examples include:

(i) Construction standards promulgated by a professional association or architects, engineers, or builders.

(ii) Code of ethics promulgated by professional organizations.

(iii) Forms and formats publicly or privately published and readily available to the persons required to use them.

(d) It is incumbent upon each component to review all information of the type described in paragraph (b) of this section, to insure that it is published on an up-to-date basis in the FEDERAL REGISTER, including every amendment revision, or repeal. No member of the general public can be required to resort to, or be adversely affected by, any material not published as required by the foregoing provisions of §336.5 unless he

has actual and timely notice of the content of that material.

[40 FR 4911, Feb. 3, 1975. Redesignated at 41 FR 27074, July 1, 1976, and further redesignated and amended at 56 FR 64482, Dec. 10, 1991]

§ 336.6 Petitions.

Each component shall accord any interested person the right to petition for the issuance, amendment, or repeal of a regulation that originates or would originate, for the Department of Defense or that component, a policy, requirement, or procedure coming within the scope of § 336.4. Any such petition shall be given full and prompt consideration by the component charged with the responsibility for issuing such a regulation. The petitioner shall be advised in writing of the disposition, and the reason for the disposition, of any written petition for the issuance, amendment, or repeal of a regulation. The official responsibility for disposition of the petition may at his absolute discretion, grant the petitioner a right to appear for the purpose of supporting his petition if this is compatible with the orderly conduct of public business.

[40 FR 4911, Feb. 3, 1975. Redesignated at 41 FR 27074, July 1, 1976, and further redesignated and amended at 56 FR 64482, Dec. 10, 1991]

§ 336.7 Effective date and implementation.

This part becomes effective on February 1, 1975, but is applicable only to the regulations promulgated under the authority of a component after April 1, 1975. Two copies of implementing regulations shall be forwarded to the General Counsel of the Department of Defense on or before April 1, 1975.

[40 FR 4911, Feb. 3, 1975. Redesignated at 41 FR 27074, July 1, 1976, and further redesignated at 56 FR 64482, Dec. 10, 1991]

PART 337—AVAILABILITY OF DOD DIRECTIVES, DOD INSTRUCTIONS, DOD PUBLICATIONS, AND CHANGES

Sec.
337.1 Ordering DoD Directives, DoD Instructions, and Changes.
337.2 Ordering DoD Publications.

AUTHORITY: 10 U.S.C. 133, 31 U.S.C. 483a.

§ 337.1 Ordering DoD Directives, DoD Instructions, and Changes.

DoD Directives, DoD Instructions, and changes published in Chapter 2—Number Index section of DoD 5025.1–I, ''DoD Directives System Annual Index'' (except those issuances identified as classified) are available to the public and Government Agencies, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161, telephone 703–487–4650.

[55 FR 27225, July 2, 1990. Redesignated and amended at 56 FR 64482, Dec. 10, 1991]

§ 337.2 Ordering DoD Publications.

DoD publications and changes published in Chapter 3—Publications section of DoD 5025.1–l, ''DoD Directives System Annual Index'' are available from the various sources that are identified in the Availability Column. Addresses for forwarding written requests to the various sources are listed at the beginning of chapter 3. A fee will be charged for DoD Publications ordered from the National Technical Information Service.

[56 FR 64482, Dec. 10, 1991]

PART 338—AVAILABILITY TO THE PUBLIC OF DEFENSE NUCLEAR AGENCY (DNA) INSTRUCTIONS AND CHANGES THERETO

AUTHORITY: 10 U.S.C. 133, 5 U.S.C. 552.

§ 338.1 Ordering DNA issuances.

(a) The DNA issuances published in the DNA indexes are published under the following subject groups:

1000—Manpower, Personnel and Reserve
2000—International Programs
3000—Intelligence
4000—Logistics and Resources Management
5000—General Administration
6000—Health and Medical
7000—Comptrollership
DNA Instruction 5025.80, Index to Administrative Publications
AFRRI Instruction 5025.26N, Index to AFRRI Publications
FC, DNA Instruction 5025.8B, Index to FC, DNA Administrative Instruction

(b) Copies of DNA indexes and instructions may be ordered by telephone or letter. The commercial telephone number is (703) 325–7095. Include personal or company name, street address or post office box, city, state, country (if applicable) and zip code when submitting requests. Submit written requests to: Defense Nuclear Agency, Public Affairs Office, Washington, DC 20305–1000.

(c) This service is provided to the public and to federal agencies other than the Department of Defense. DNA does not charge for requests for an index and one instruction; however, fees for larger orders are determined on a case-by-case basis.

[51 FR 41300, Nov. 14, 1986. Redesignated at 56 FR 64482, Dec. 10, 1991]

SUBCHAPTER Q [RESERVED]
SUBCHAPTER R—ORGANIZATIONAL CHARTERS

PART 342—DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL MANAGEMENT SERVICE

Sec.
342.1 Purpose.
342.2 Mission.
342.3 Organization and management.
342.4 Responsibilities and functions.
342.5 Relationships.
342.6 Authorities.
342.7 Administration.

APPENDIX A TO PART 342—DELEGATIONS OF AUTHORITY

AUTHORITY: 10 U.S.C. 301.

SOURCE: 58 FR 48307, Sept. 15, 1993, unless otherwise noted.

§ 342.1 Purpose.

(a) Establishes the DoD Civilian Personnel Management Service (CPMS) within the Department of Defense, pursuant to the authority vested in the Secretary of Defense under title 10, with the mission, organization, responsibilities, functions, relationships, and authorities as prescribed herein.

(b) Applies to the Office of the Secretary of Defense; the Military Departments; the Chairman of the Joint Chiefs of Staff and the Joint Staff; the Unified and Specified Combatant Commands; the Office of the Inspector General, Department of Defense; the Defense Agencies; and the DoD Field Activities (hereafter referred to collectively as ''the DoD Components'').

§ 342.2 Mission.

The CPMS shall provide civilian personnel policy support, functional information management, and civilian personnel administrative services to the DoD Components and their activities.

§ 342.3 Organization and management.

The CPMS is hereby established as a DoD Field Activity under the authority, direction, and control of the Assistant Secretary of Defense (Personnel and Readiness) (ASD(P&R)). The CPMS shall consist of a Director and such subordinate elements as the Director establishes, within the resources authorized by the Secretary of Defense.

§ 342.4 Responsibilities and functions.

(a) The Director, DoD Civilian Personnel Management Service shall:

(1) Organize, direct, and manage the CPMS and all assigned resources.

(2) Advise and assist the ASD(P&R) and the Deputy Assistant Secretary of Defense (Civilian Personnel Policy and Equal Opportunity) (DASD(CPP/EO)) within assigned responsibilities and functions.

(3) Provide support to the DoD Components in the administration of civilian personnel policy and programs, as directed.

(4) Administer civilian personnel functional information management activities including, but not limited to, business improvement and functional economic analyses.

(5) Administer civilian personnel programs specified in DoD Directive 5120.39[1]; DoD Directive 5120.42[2]; DoD Directive 5010.31[3]; DoD Directive 1400.20[4]; and DoD Directive 1430.14[5].

(6) Perform such other functions as the ASD(P&R) may prescribe.

(b) The Assistant Secretary of Defense (Personnel and Readiness) shall:

(1) Exercise authority, direction, and control over the CPMS.

(2) Recommend policies and resources for the administration of the CPMS to the Secretary of Defense.

§ 342.5 Relationships.

(a) In the performance of assigned duties, the Director, CPMS, shall:

(1) Exchange information and advice and coordinate actions with DoD Components, as required, to carry out assigned responsibilities and functions.

(2) Use established facilities and services in the Department of Defense and

[1] Copies may be obtained, at cost, from the National Technical Information Services, 5285 Port Royal Road, Springfield, VA 22161.
[2] See footnote 1 to § 342.4(a)(5).
[3] See footnote 1 to § 342.4(a)(5).
[4] See footnote 1 to § 342.4(a)(5).
[5] See footnote 1 to § 342.4(a)(5).

other Government Agencies, whenever practicable, to achieve maximum efficiency and economy of operations.

(3) Consult and coordinate with other governmental and nongovernmental agencies, as required, to carry out assigned responsibilities and functions.

(b) All DoD Components shall coordinate with the Director, CPMS, as appropriate, on matters affecting the operation of the CPMS.

§ 342.6 Authorities.

The Director, CPMS, is specifically delegated authority to:

(a) Represent the ASD(P&R) and the DASD(CPP/EO) on matters which fall within assigned responsibilities and functions.

(b) Obtain reports, information, advice, and assistance, consistent with the policies and criteria of DoD Directive 8910.1[6], as deemed necessary.

(c) Communicate directly with appropriate representatives of the DoD Components and other governmental and nongovernmental agencies on matters related to the CPMS. Communications to the Commanders of Unified and Specified Combatant Commands shall be transmitted through the Chairman of the Joint Chiefs of Staff.

(d) Exercise the administrative authorities in enclosure 2, when delegated by the ASD(P&R).

§ 342.7 Administration.

(a) The Director, CPMS, shall be a civilian selected by the ASD(P&R).

(b) The CPMS shall be authorized such personnel, facilities, funds, and other resources as the Secretary of Defense deems necessary.

(c) The Military Departments shall assign military personnel to the CPMS in accordance with approved authorizations and established procedures for assignment to joint duty.

(d) Administrative support for the CPMS shall be provided by the DoD Components through inter-service support agreements in accordance with DoD Directive 4000.19[6].

[6] See footnote 1 to § 342.4(a)(5).

APPENDIX A TO PART 342—DELEGATIONS OF AUTHORITY

Pursuant to the authority vested in the Secretary of Defense, and subject to the direction, authority, and control of the Secretary of Defense, and in accordance with DoD policies, Directives, and Instructions, the Assistant Secretary of Defense (Personnel and Readiness) (ASD(P&R)), or in the absence of the ASD(P&R), the person acting for the ASD(P&R), is hereby delegated authority as required in the administration and operation of the DoD Civilian Personnel Management Service to:

1. Establish advisory committees and employ temporary or intermittent experts or consultants, as approved by the Secretary of Defense, for the performance of DoD Civilian Personnel Management Service functions consistent with 10 U.S.C. 173; 5 U.S.C. 3109(b); DoD Directive 5105.4[1] and the agreement between the Department of Defense and the Office of Personnel Management (OPM) on employment of experts and consultants, June 21, 1977.

2. In accordance with 5 U.S.C. 7532; E.O. 10450, 18 FR 2489, 3 CFR, 1949–1953 Comp., p. 936; E.O. 12333, 46 FR 59941, 3 CFR, 1981 Comp., p. 200; and E.O. 12356, 47 FR 14874 and 15557, 3 CFR, 1982 Comp., p. 166; and DoD Directive 5200.2[2]; as appropriate:

a. Designate any position in the DoD Civilian Personnel Management Service as a ''sensitive'' position.

b. Authorize, in case of an emergency, the appointment of a person to a sensitive position in the DoD Civilian Personnel Management Service for a limited period of time and for whom a full field investigation or other appropriate investigation, including the National Agency Check, has not been completed.

c. Authorize the suspension, but not terminate the services, of a DoD Civilian Personnel Management Service employee in the interest of national security.

d. Initiate investigations, issue personnel security clearances and, if necessary, in the interest of national security, suspend, revoke, or deny a security clearance for personnel assigned, detailed to, or employed by the DoD Civilian Personnel Management Service. Any action to deny or revoke a security clearance shall be taken in accordance with procedures prescribed in DoD 5200.2–R[3].

3. Authorize and approve:

[1] Copies may be obtained, at cost, from the National Technical Information Services, 5285 Port Royal Road, Springfield, VA 22161.

[2] See footnote 1 to section 1. of this appendix.

[3] See footnote 1 to section 1. of this appendix.

a. Temporary duty travel for military personnel assigned or detailed to the DoD Civilian Personnel Management Service in accordance with volume I, Joint Federal Travel Regulations.

b. Travel for DoD Civilian Personnel Management Service civilian employees in accordance with Volume II, Joint Travel Regulations.

c. Invitational travel to non-DoD personnel whose consultative, advisory, or other highly specialized technical services are required in a capacity that is directly related to, or in connection with, DoD Civilian Personnel Management Service activities, in accordance with Volume II, Joint Travel Regulations.

d. Overtime work for DoD Civilian Personnel Management Service civilian employees in accordance with chapter 55, subpart V, of 5 U.S.C. and applicable OPM regulations.

4. Approve the expenditure of funds available for travel by military personnel assigned or detailed to the DoD Civilian Personnel Management Service for expenses incident to attendance at meetings of technical, scientific, professional, or other similar organizations in such instances where the approval of the Secretary of Defense, or designee, is required by 37 U.S.C. 412, and 5 U.S.C. 4110 and 4111.

5. Develop, establish, and maintain an active and continuing Records Management Program pursuant to 44 U.S.C. 3102 and DoD Directive 5015.2[4].

6. Establish and use imprest funds for making small purchases of material and services, other than personal services, for the DoD Civilian Personnel Management Service, when it is determined more advantageous and consistent with the best interests of the Government, in accordance with DoD Directive 7360.10[5].

7. Authorize the publication of advertisements, notices, or proposals in newspapers, magazines, or other public periodicals as required for the effective administration and operation of the DoD Civilian Personnel Management Service, consistent with 44 U.S.C. 3702.

8. Establish and maintain, for the functions assigned, an appropriate publications system for the promulgation of common supply and service regulations, instructions, and reference documents, and changes thereto, pursuant to the policies and procedures prescribed in DoD 5025.1–M[6].

9. Enter into support and service agreements with the Military Departments, other DoD Components, or other Government Agencies, as required, for the effective performance of DoD Civilian Personnel Management Service functions and responsibilities.

10. Enter into and administer contracts, directly or through a Military Department, a DoD contract administration services component, or other Federal Agency, as appropriate, for supplies, equipment, and services required to accomplish the mission of the DoD Civilian Personnel Management Service. To the extent that any law or Executive order specifically limits the exercise of such authority to persons at the Secretarial level of a Military Department, such authority shall be exercised by the appropriate Under Secretary or Assistant Secretary of Defense.

11. Exercise the authority delegated to the Secretary of Defense by the Administrator of General Services on the disposal of surplus personal property.

12. The ASD (P&R) may redelegate these authorities, as appropriate, and in writing, except as otherwise provided by law or regulation.

13. These delegations of authority are effective August 30, 1993.

[4] See footnote 1 to section 1. of this appendix.

[5] See footnote 1 to section 1. of this appendix.

[6] See footnote 1 to section 1. of this appendix.

PART 343—UNDER SECRETARY OF DEFENSE FOR PERSONNEL AND READINESS (USD(P&R))

Sec.
343.1 Purpose.
343.2 Applicability.
343.3 Definitions.
343.4 Responsibilities and functions.
343.5 Relationships.
343.6 Authorities.

APPENDIX A TO PART 343—DELEGATIONS OF AUTHORITY

AUTHORITY: 10 U.S.C. 136.

SOURCE: 59 FR 14561, Mar. 29, 1994, unless otherwise noted.

§ 343.1 Purpose.

Under the authority vested in the Secretary of Defense by 10 U.S.C. 113 and 136, this part establishes the position of USD(P&R), with the responsibilities, functions, relationships, and authorities as prescribed herein. The functions previously assigned to the Assistant Secretary of Defense (Force Management and Personnel) (ASD(FM&P)) by DoD Directive 5124.2,[1]

[1] Copies of the canceled Directive may be obtained from the Directives Division, Attn: Room 2A286, Washington Headquarters Services, 1155 Defense Pentagon, Washington, DC 20301–1155.

''Assistant Secretary of Defense (Force Management and Personnel),'' January 26, 1990, are incorporated herein and the ASD(FM&P) is hereby disestablished.

§343.2 Applicability.

This part applies to the Office of the Secretary of Defense (OSD), the Military Departments, the Chairman of the Joint Chiefs of Staff, the Unified Combatant Commands, the Inspector General of the Department of Defense, the Defense agencies, and the DoD Field Activities (hereafter referred to collectively as ''the DoD Components'').

§343.3 Definitions.

(a) *Reserve components.* Refers collectively to the Army National Guard of the United States, Army Reserve, Naval Reserve, Marine Corps Reserve, Air National Guard of the United States, Air Force Reserve, and Coast Guard Reserve, when the Coast Guard is operating as a Service of the Department of the Navy.

(b) *Total force.* The organizations, units, and individuals that comprise the Defense Department's resources for meeting the national security strategy. It includes DoD Active and Reserve military personnel, military retired members, DoD civilian personnel (including foreign national direct- and indirect-hire, as well as non-appropriated fund employees), contractor staff, and host-nation support personnel.

§343.4 Responsibilities and functions.

The Under Secretary of Defense for Personnel and Readiness is the principal staff assistant and advisor to the Secretary and Deputy Secretary of Defense for Total Force management as it relates to readiness; National Guard and Reserve component affairs; health affairs; training; and personnel requirements and management, including equal opportunity, morale, welfare, and quality of life matters. In this capacity, the USD(P&R) shall:

(a) Develop policies, plans, and programs for:

(1) Total force personnel and their allocation among DoD Components and between the active and reserve components to ensure efficient and effective support of wartime and peacetime operations, contingency planning, and preparedness.

(2) Reserve component affairs to promote the effective integration of Reserve component capabilities into a cohesive total force.

(3) Health and medical affairs sufficient to provide, and maintain readiness to provide, medical services and support to members of the Armed Forces during military operations, and to provide medical services and support to members of the Armed Forces, their dependents, and others entitled to DoD medical care.

(4) Recruitment, training, equal opportunity, compensation, recognition, discipline, and separation of all DoD personnel, to include both military (active, reserve, and retired) and civilian.

(5) The quality of life of DoD personnel and their dependents, including family support, allowances, transition assistance, community services, and dependent education.

(6) DoD morale, welfare, and recreation programs and supporting non-appropriated fund revenue-generating programs including commissaries and exchanges.

(7) Interagency and intergovernmental activities, special projects, or external requests that create a demand for DoD personnel resources.

(b) Serve as OSD focal point for readiness issues; develop policies, management structures, and administrative processes to ensure forces have sufficient readiness to execute the National Military Strategy; oversee Total Force personnel and medical readiness; and coordinate with other Principal Staff Assistants and cognizant officials in the Office of the Chairman of the Joint Chiefs of Staff and in the Services on other aspects of readiness.

(c) Analyze the total force structure as related to quantitative and qualitative military and civilian personnel requirements, utilization, readiness and support. Administer and implement controls on military and civilian personnel strengths for Military Departments, Defense Agencies, and other DoD Components.

(d) Review and evaluate the requirements of the Defense Acquisition Board's major defense acquisition programs and proposed weapon systems

for personnel, training, and readiness implications, and the implications of weapon systems maintainability for qualitative and quantitative personnel requirements and for readiness.

(e) Formulate policy for and ensure coordination of DoD Noncombatant Evacuation Operations (NEO).

(f) Participate in those planning, programming, and budgeting activities that relate to assigned areas of responsibility.

(g) Serve on boards, committees, and other groups pertaining to assigned functional areas and represent the Secretary of Defense on personnel, readiness, Reserve component, health, and compensation matters outside of the Department.

(h) Perform such other functions as the Secretary of Defense may prescribe.

§ 343.5 Relationships.

(a) In the performance of assigned functions and responsibilities, the USD(P&R) shall:

(1) Report directly to the Secretary and Deputy Secretary of Defense.

(2) Exercise authority, direction, and control over:

(i) The Assistant Secretary of Defense for Health Affairs.

(ii) The Assistant Secretary of Defense for Reserve Affairs.

(iii) The Director, Defense Commissary Agency.

(iv) The Director, DoD Education Activity.

(v) The Director, Defense Manpower Data Center.

(vi) The Director, DoD Civilian Personnel Management Service.

(vii) The Director, Defense Institute for Training Resources Analysis.

(viii) The Commandant of the Defense Equal Opportunity Management Institute.

(ix) The Director, Defense Medical Programs Activity, through the Assistant Secretary of Defense for Health Affairs (ASD(HA)).

(x) The Director, Office of Civilian Health and Medical Programs of the Uniformed Services, through the ASD(HA).

(xi) The President, Uniformed Services University of the Health Sciences (USUHS), through the ASD(HA), pursuant to the authority vested in the Secretary of Defense by 10 U.S.C. chapter 104, except that the authority to appoint the President, USUHS, is reserved to the Secretary of Defense.

(xii) such other subordinate officials as may be assigned.

(3) Provide policy guidance and management supervision for the DoD Office of the Actuary, DoD Office of Special Events, U.S. Military Entrance Processing Command, Defense Activity for Non-Traditional Education Support, and the Armed Forces Professional Entertainment Program.

(4) Coordinate and exchange information with other OSD officials, Heads of the DoD Components, and Federal officials having collateral or related functions.

(5) Use existing facilities and services of the Department of Defense and other Federal Agencies, whenever practicable, to avoid duplication and to achieve maximum efficiency and economy.

(b) Other OSD officials and the Heads of the DoD Components shall coordinate with the USD(P&R) on all matters related to the responsibilities and functions cited in § 343.4.

§ 343.6 Authorities.

(a) The USD(P&R) is hereby delegated authority to:

(1) Establish and allocate civilian personnel authorizations of the DoD Components and review and approve military and civilian personnel authorization changes during program execution.

(2) Issue DoD Instructions, DoD publications, and one-time directive-type memoranda, consistent with DoD 5025.1–M,[2] that implement policy approved by the Secretary of Defense in assigned fields of responsibility. Instructions to the Military Department shall be issued through the Secretaries of those Departments. Instructions to Unified Combatant Commands shall be communicated through the Chairman of the Joint Chiefs of Staff.

[2] Copies may be obtained, at cost, from the National Technical Information Service (NTIS), US Department of Commerce, 5285 Port Royal Road, Springfield, VA 22161.

(3) Obtain reports, information, advice, and assistance, consistent with DoD Directive 8910.1,[3] as necessary to carry out assigned functions.

(4) Communicate directly with the Heads of DoD Components. Communications to the Commanders of the Unified Combatant Commands shall be transmitted through the Chairman of the Joint Chiefs of Staff.

(5) Communicate with other Government officials, representatives of the legislative branch, members of the public, and representatives of foreign governments, as appropriate, in carrying out assigned functions.

(b) Other authorities specifically delegated by the Secretary of Defense are in appendix A to this part.

APPENDIX A TO PART 343—DELEGATIONS OF AUTHORITY

Pursuant to the authority vested in the Secretary of Defense, and subject to the authority, direction, and control of the Secretary of Defense, and in accordance with DoD policies, Directives, and Instructions, the USD(P&R) is hereby delegated authority to:

(a) Act for the Secretary of Defense in conducting a review of the military compensation system.

(b) Issue DoD issuances pertaining to the management of commissioned officers that are required to be issued by the Secretary of Defense under pertinent sections of 10 U.S.C., including those added by Public Law 96–513, ''Defense Officer Personnel Management Act,'' December 12, 1980, as amended by Public Law 77–22, ''Defense Office Personnel Management Act Technical Corrections Act,'' July 10, 1981, except when such delegation is specifically prohibited.

(c) Act for the Secretary of Defense to approve or disapprove recommendations for the Secretary of Defense Award for Productivity Excellence.

(d) Act for the Secretary of Defense to review and approve procedures established by the Secretaries of the Military Departments for the correction of military records under the authority of 10 U.S.C. 1552.

The USD(P&R) may redelegate these authorities, as appropriate, and in writing, except as otherwise provided by law or regulations. These delegations of authority are effective March 29, 1994.

[3] See footnote 1 to §343.6(a)(2).

PART 344—ASSISTANT SECRETARY OF DEFENSE FOR RESERVE AFFAIRS (ASD(RA))

Sec.
344.1 Purpose.
344.2 Applicability.
344.3 Definitions.
344.4 Responsibilities and functions.
344.5 Relationships.
344.6 Authorities.

AUTHORITY: 10 U.S.C. 136.

SOURCE: 59 FR 14563, Mar. 29, 1994, unless otherwise noted.

§344.1 Purpose.

Under the authority vested in the Secretary of Defense by 10 U.S.C. 113 and 138, this part updates the responsibilities, functions, relationships, and authorities of the ASD(RA), as prescribed herein.

§344.2 Applicability.

This part applies to the Office of the Secretary of Defense (OSD), the Military Departments, the Chairman of the Joint Chiefs of Staff, the Unified Combatant Commands, the Inspector General of the Department of Defense, the Defense Agencies, and the DoD Field Activities (hereafter referred to collectively as ''the DoD Components'').

§344.3 Definitions.

(a) *Reserve components.* Refers collectively to the Army National Guard of the United States, Army Reserve, Naval Reserve, Marine Corps Reserve, Air National Guard of the United States, Air Force Reserve, and Coast Guard Reserve, when the Coast is operating as a Service of the Department of the Navy.

(b) *Total force.* The organizations, units, and individuals that comprise the Defense Department's resources for meeting the national security strategy. It includes DoD Active and Reserve military personnel, military retired members, DoD civilian personnel (including foreign national direct- and indirect-hire, as well as non-appropriated fund employees), contractor staff, and host-nation support personnel.

§344.4 Responsibilities and functions.

The Assistant Secretary of Defense for Reserve Affairs is the principal

staff assistant and advisor to the Under Secretary of Defense for Personnel and Readiness (USD(P&R)) and the Secretary and Deputy Secretary of Defense for Reserve component matters in the Department of Defense. The ASD(RA) is responsible for overall supervision of all Reserve component affairs in the Department of Defense. In this capacity, the ASD(RA) shall:

(a) Develop policies, conduct analyses, provide advice, and make recommendations to the USD(P&R) and the Secretary of Defense, and issue guidance to the DoD Components on matters pertaining to the Reserve components.

(b) Develop systems and standards for the administration and management of approved DoD Reserve component plans and programs.

(c) Develop and promulgate plans, programs, actions, and taskings to ensure adherence to DoD policies and national security objectives to promote the effective integration of Reserve component capabilities into a cohesive total force.

(d) Review and evaluate programs of the DoD Components that impact on the reserve components; monitor the activities of reserve component organizations, training facilities, and associations; and undertake other management oversight activities as may be required to ensure that policies, plans, programs, and actions pertaining to the reserve components:

(1) Adhere to approved DoD policies and standards.

(2) Are compatible and support total force objectives and requirements.

(3) Enhance the readiness and capabilities of reserve component units and personnel.

(4) Promote the integration of reserve components with active duty forces.

(5) Make the most effective use of reserve components within the total force.

(e) Participate in planning, programming, and budgeting activities that relate to assigned areas of responsibility.

(f) Promote, with respect to the reserve components, coordination, cooperation, and mutual understanding within the Department of Defense and among the Department of Defense and other federal agencies, state and local governments, the civilian community at large, and the employers of Reserve component personnel.

(g) Promote family support plans, policies, and programs in line with the reserve component mission.

(h) Serve on boards, committees, and other groups pertaining to assigned functional areas and represent the Secretary of Defense on reserve component matters outside the Department.

(i) Consistent with 10 U.S.C. 675, coordinate issues and positions of the Reserve Force Policy Board (RFPB) and review reports of the RFPB prior to forwarding to the USD(P&R) and the Secretary of Defense. Provide administrative staff support to the RFPB.

(j) Serve as the vice chairman of the Conventional Forces Readiness Committee.

(k) Perform such other functions as the USD(P&R) and the Secretary of Defense may prescribe.

§ 344.5 Relationships.

(a) In the performance of assigned functions and responsibilities, the ASD(RA) shall serve under the authority, direction, and control of the USD(P&R) and shall:

(1) Report directly to the USD(P&R).

(2) Exercise authority, direction, and control over the National Committee for Employer Support of the Guard and Reserve.

(3) Coordinate and exchange information with the OSD officials, Head of the DoD components, and Federal officials having collateral or related functions.

(4) Use existing facilities and services of the Department of Defense or other Federal Agencies, whenever practicable, to avoid duplication and to achieve maximum efficiency and economy.

(b) Other OSD officials and the Heads of the DoD components shall coordinate with the ASD(RA) on all matters related to the responsibilities and functions cited in § 344.4.

§ 344.6 Authorities.

The ASD(RA) is hereby delegated authority to:

(a) Act for the Secretary of Defense, in accordance with section 411 of Pub. L. 103–160 and future authorization acts

that contain this provision, to increase the authorized end strength for Reserve personnel by not more than 2 percent of the prescribed Reserve personnel end strength, or such other percentage as shall be authorized by statute, when the increase is in the national interest.

(b) Issue DoD Instructions, DoD publications, and one-time directive-type memoranda, consistent with DoD 5025.1–M,[1] that implement policies approved by the Secretary of Defense in assigned fields of responsibility. Instructions to the Military Departments shall be issued through the Secretaries of those Departments. Instructions to the Commanders of the Unified Combatant Commands shall be communicated through the Chairman of the Joint Chiefs of Staff.

(c) Obtain reports, information, advice, and assistance, consistent with DoD Directive 8910.1,[2] as necessary, to carry out assigned functions.

(d) Communicate directly with Heads of the DoD Components. Communications to the Unified Combatant Commands shall be transmitted through the Chairman of the Joint Chiefs of Staff.

(e) Communicate with other Government officials, representatives of the legislative branch, members of the public, and representatives of foreign governments, as appropriate, in carrying out assigned functions.

PART 345—DEPARTMENT OF DEFENSE SECTION 6 SCHOOLS

Sec.

345.1 Purpose.
345.2 Applicability and scope.
345.3 Mission.
345.4 Organization.
345.5 Responsibilities and functions.
345.6 Relationships.
345.7 Authorities.
345.8 Administration.

APPENDIX A TO PART 345—DELEGATIONS OF AUTHORITY

AUTHORITY: 20 U.S.C. 2362.

[1]Copies may obtained, at cost, from the National Technical Information Service (NTIS), US Department of Commerce, 5285 Port Royal Road, Springfield, VA 22161.

[2]See footnote 1 to §344.6(b).

SOURCE: 57 FR 53557, Nov. 12, 1992, unless otherwise noted.

§345.1 Purpose.

This part, pursuant to the authority vested in the Secretary of Defense under 20 U.S.C. 2362, establishes the Department of Defense (DoD) section 6 Schools with the mission, organization, responsibilities, functions, relationships, and authorities as prescribed herein.

§345.2 Applicability and scope.

(a) This part applies to the Office of the Secretary of Defense, the Military Departments, the Defense Agencies, and the DoD Field Activities, (hereafter referred to collectively as ''the DoD Components'').

(b) The schools (pre-kindergarten through grade 12) operated by the Department of Defense within the Continental United States (CONUS), Alaska, Hawaii, Puerto Rico, Wake Island, Guam, American Samoa, the Northern Mariana Islands, and the Virgin Islands.

§345.3 Mission.

The mission of the DoD section 6 Schools is to provide a free public education of high quality from pre-kindergarten through grade twelve for eligible dependent children of U.S. military personnel and federally employed civilian personnel, when those children are eligible for an education in DoD section 6 Schools under 20 U.S.C. 2362, 20 U.S.C. 241 note, 32 CFR part 68, and 20 U.S.C. 1400 et. seq., to provide a free, appropriate education for dependents with disabilities, ages 3 through 21.

§345.4 Organization.

The DoD section 6 Schools Office is established as an organizational element of the DoD Education Activity (DoDEA), a DoD Field Activity operating under the direction, authority, and control of the Assistant Secretary of Defense (Force Management and Personnel) (ASD(FM&P)). It shall consist of a Director and such subordinate organizational structures and activities as shall be established by the Director, DoD section 6 Schools, with the resources authorized by the ASD(FM&P).

§ 345.5 Responsibilities and functions.

(a) The Director, DoD section 6 Schools, shall perform all of the duties necessary to organize, manage, fund, direct, and supervise the complete operation of the DoD section 6 Schools. These duties include, but are not limited to, the following:

(1) Serve as the principal advisor and staff assistant to the ASD(FM&P) on matters relating to the DoD section 6 Schools.

(2) Ensure the development of policies and procedures for the operation, management, budgeting (in accordance with guidance provided by the Comptroller, Department of Defense), construction, and financing of DoD section 6 Schools and for DoD section 6 Special Arrangements (as defined in 32 CFR part 68 for eligible dependent children in CONUS, Alaska, Hawaii, Puerto Rico, Wake Island, Guam, American Samoa, the Northern Mariana Islands, and the Virgin Islands, under 20 U.S.C. 2362, 20 U.S.C. 241 note, and 32 CFR part 68.

(3) Ensure the establishment of elected school boards in DoD section 6 School Arrangements operating under 20 U.S.C. 2362 and 20 U.S.C. 241 note. The functions of such school boards shall be to oversee school expenditures and operations, subject to audit procedures established by the Director, section 6 Schools and consistent with 20 U.S.C. 2362, 20 U.S.C. 241 note, and this part.

(4) Ensure that the free public education being provided under this part is, to the maximum extent practicable, comparable to that being provided by comparable public school districts in the State in which the DoD section 6 School Arrangement or DoD section 6 Special Arrangement (as defined in 32 CFR part 68) is located or, if outside of CONUS, Alaska, and Hawaii, as the being provided by the District of Columbia Public Schools.

(5) Ensure the establishment of audit procedures for reviewing funding of DoD section 6 School Arrangements and DoD section 6 Special Arrangements.

(6) Ensure timely and accurate preparation of budget execution reports and full compliance with accounting requirements in accordance with DoD 7220.9–M.[1]

(7) Ensure that nonappropriated funds and related activities of DoD section 6 School Arrangements are reviewed under DoD Directive 7600.6.[2]

(8) Establish guidance for student eligibility for DoD section 6 School Arrangements.

(9) Negotiate interservice support agreements with the Military Departments in accordance with DoD Directive 4000.19.[3]

(10) Perform other functions as may be assigned by the ASD(FM&P).

(b) The Assistant Secretary of Defense (Force Management and Personnel) shall:

(1) Recommend policies and resources for the administration of the DoD section 6 Schools to the Secretary of Defense.

(2) Exercise direction, authority, and control over the Director, DoD section 6 Schools, through the Director of Education, in accordance with 32 CFR part 346.

(3) Issue, as necessary, DoD instructions, publications, and other guidance implementing this part.

(c) The Comptroller of the Department of Defense shall provide technical advice and assistance to the Director, DoD section 6 Schools, on budget and financial management activities of the DoD section 6 Schools.

(d) The General Counsel of the Department of Defense shall:

(1) Coordinate on guidance established by the Director, DoD section 6 Schools, for student eligibility for DoD section 6 School Arrangements.

(2) Provide legal advice on the implementation of this part.

(e) The Secretaries of the Military Departments shall provide such facilities, logistics, and administrative support as are required for the effective operation of the DoD section 6 Schools program. Reimbursements for goods and services shall be made in accordance with DoD Directive 4000.19 and

[1] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

[2] See footnote 1 to § 345.5(a)(6).

[3] See footnote 1 to § 345.5(a)(6).

DoD Directive 1400.16.[4] For the purposes of accepting gifts under 10 U.S.C. 2601 only, the Secretaries of the Military Departments shall be deemed to have jurisdiction over section 6 Schools located on installations under their respective control.

§ 345.6 Relationships.

(a) In the performance of assigned duties, the Director, DoD section 6 Schools, shall:

(1) Exchange information and advice and coordinate actions with DoD Components having collateral or related functions.

(2) Use established facilities and services in the Department of Defense and other Government Agencies, whenever practicable, to achieve maximum efficiency and economy of operations.

(3) Consult and coordinate with other governmental and nongovernmental agencies on matters related to the mission of the DoD section 6 Schools.

(b) All DoD Components shall coordinate with the Director, DoD section 6 Schools, as appropriate, on all matters relating to the operation of the DoD section 6 Schools.

§ 345.7 Authorities.

The Director, DoD section 6 Schools, is specifically delegated authority to:

(a) Execute the responsibilities and functions described in § 345.5.

(b) Obtain reports, information, advice, and assistance, consistent with the policies and criteria of DoD Directive 7750.5,[5] as deemed necessary.

(c) Communicate directly with appropriate representatives of the DoD Components and other governmental and nongovernmental agencies on matters related to the DoD section 6 Schools.

(d) Exercise the operational and administrative authorities contained in appendix A to this part.

§ 345.8 Administration.

(a) The Director, DoD section 6 Schools, shall be a civilian selected by the ASD(FM&P).

(b) Administrative support for Headquarters, DoD section 6 Schools, and DoD section 6 Schools field elements shall be provided by the DoD Components.

(c) The DoD section 6 Schools Office shall be authorized such personnel, facilities, funds, and other resources as the Secretary of Defense deems necessary.

APPENDIX A TO PART 345—DELEGATIONS OF AUTHORITY

Pursuant to the authority vested in the Secretary of Defense, and subject to the direction, authority, and control of the Secretary of Defense, and in accordance with DoD policies, Directives, and Instructions, the Assistant Secretary of Defense (Force Management and Personnel) (ASD(FM&P)) or, in the absence of the ASD(FM&P), the person acting for the ASD(FM&P), is hereby delegated authority, as required in administration and operation of the DoD section 6 Schools, to:

1. Make determinations with respect to recruiting, selecting, removing, disciplining, and taking other actions involving civilian employees of the DoD section 6 Schools.

2. In accordance with 5 U.S.C. 7532; E.O. 10450, 18 FR 2489, 3 CFR, 1949–1953 Comp., p. 936; E.O. 12333, 46 FR 59941, 3 CFR, 1981 Comp., p. 200; E.O. 12356, 47 FR 14874 and 15557, 3 CFR, 1982 Comp., p. 166; and DoD Directive 5200.2,[1] ''DoD Personnel Security Program,'' as appropriate:

a. Designate any position in the DoD section 6 Schools as a ''sensitive'' position.

b. Authorize, in case of an emergency, the appointment of a person to a sensitive position in the DoD section 6 Schools for a limited period of time and for whom a full field investigation or other appropriate investigation, including the National Agency Check, has not been completed.

c. Authorize the suspension, but not terminate the services, of a DoD section 6 Schools employee in the interest of national security.

3. Authorize and approve:

a. Travel for DoD section 6 Schools civilian employees, in accordance with Volume II, Joint Travel Regulations.

b. Invitational travel to non-DoD personnel whose consultative, advisory, or other highly specialized technical services are required in a capacity that is directly related to, or in connection with, DoD section 6 Schools activities, in accordance with Volume II, Joint Travel Regulations.

c. Overtime work for DoD section 6 Schools civilian employees in accordance with chapter 55, subpart V, of 5 U.S.C. and applicable OPM regulations.

4. Develop, establish, and maintain an active and continuing Records Management

[4] See footnote 1 to § 345.5(a)(6).

[5] See footnote 1 to § 345.5(a)(6).

[1] See footnote 1 to § 345.5(a)(6).

Program, pursuant to 44 U.S.C. 3102 and DoD Directive 5015.2,[2] ''Records Management Program''.

5. Authorize the publication of advertisements, notices, or proposals in newspapers, magazines, and other public periodicals, as required for the effective administration of the DoD section 6 Schools consistent with 44 U.S.C. 3702.

6. Establish and maintain, for the functions assigned, an appropriate publications system for the promulgation of common supply and service regulations, instructions, and reference documents, and changes thereto, pursuant to the policies and procedures prescribed in DoD 5025.1–M,[3] ''DoD Directives System Procedures''.

7. Enter into support and service agreements with other DoD Components, including the Military Departments, as required for the effective performance of responsibilities and functions assigned to the DoD section 6 Schools.

8. Enter into and administer contracts directly or through a Military Department, a DoD contract administration services component, or other Government Department or Agency, as appropriate, for supplies, equipment, and services required to accomplish the mission of the DoD section 6 Schools. To the extent that any law or Executive order specifically limits the exercise of such authority to persons at the Secretarial level of a Military Department, such authority shall be exercised by the appropriate Under Secretary or Assistant Secretary of Defense.

The ASD(FM&P) may redelegate these authorities, as appropriate, and in writing, except as otherwise specifically indicated above, or as otherwise provided by law or regulation.

PART 346—DEPARTMENT OF DEFENSE EDUCATION ACTIVITY

Sec.
346.1 Purpose.
346.2 Applicability.
346.3 Mission.
346.4 Organization.
346.5 Responsibilities and functions.
346.6 Relationships.
346.7 Authorities.
346.8 Administration.

AUTHORITY: 10 U.S.C. 131(b).

SOURCE: 57 FR 53559, Nov. 12, 1992, unless otherwise noted.

§ 346.1 Purpose.

Pursuant to the authority vested in the Secretary of Defense under 10 U.S.C. 131(b), this part establishes the DoDEA with responsibilities, functions, authorities, and relationships as outlined.

§ 346.2 Applicability.

This part applies to the Office of the Secretary of Defense (OSD); the Military Departments; the Chairman of the Joint Chiefs of Staff and the Joint Staff; the Unified and Specified Commands; the Office of the Inspector General, Department of Defense; the Defense Agencies; and the DoD Field Activities (hereafter referred to collectively as the ''DoD Components.'') The term '' Military Services,'' as used herein, refers to the Army, the Navy, the Air Force, the Marine Corps, and the Coast Guard.

§ 346.3 Mission.

The mission of the DoDEA is to:

(a) Advise and act for the Assistant Secretary of Defense (Force Management and Personnel) (ASD(FM&P)) on all matters relative to the DoD Dependents Schools (DoDDS), section 6 Schools, and Continuing and Post-Secondary Education (CAPSE) programs.

(b) Formulate and develop policies, guidelines, and standards for the management of defense education activities and programs.

(c) Plan, direct, coordinate, and manage the education programs for eligible dependents of U.S. military personnel and civilian personnel of the Department of Defense stationed overseas in accordance with 32 CFR part 347.

(d) Plan, direct, coordinate, and manage the education programs for eligible dependents of U.S. military and civilian personnel stationed in areas prescribed in 20 U.S.C. 2362; in accordance with 20 U.S.C. 241 note; and 32 CFR part 68.

(e) Plan, direct, coordinate, and oversee the programs and services for continuing adult and post-secondary education for U.S. military personnel.

§ 346.4 Organization.

The DoDEA is established as a DoD Field Activity under the authority, direction, and control of the ASD(FM&P). It shall consist of:

(a) A Director, who shall be known as the Director of Education.

[2] See footnote 1 to § 345.5(a)(6).
[3] See footnote 1 to § 345.5(a)(6).

(b) The DoDDS which, under 32 CFR part 347, provides a free public education of high quality from pre-kindergarten through grade twelve for eligible minor dependents of U.S. military and civilian personnel of the Department of Defense stationed overseas; a free, appropriate education for such minor dependents with disabilities, ages 3 through 21; and a community college program for eligible students in Panama.

(c) The DoD section 6 Schools Office which, under 32 CFR part 345, provides a free public education for dependent children of U.S. military personnel and federally employed civilian personnel when those children are eligible for an education in DoD section 6 Schools under 20 U.S.C. 2362, 20 U.S.C. 241 note, and 32 CFR part 68. Such free public education arrangements shall be made by the Secretary of Defense either with a local educational agency or with the head of a Federal Department or Agency, consistent with 20 U.S.C. 2362.

(d) The Office of CAPSE which, under DoD Directive 1322.8,[1] provides overall policy guidance and periodic review of voluntary education programs for military personnel, including the Defense Activity for Non-Traditional Education Support. The Office of CAPSE monitors the basic and/or functional skills programs conducted within the Department of Defense for military personnel and partnerships in education; provides support within the Department of Defense for implementation of the President's goals for adult literacy; and provides policy guidance and oversight of Tuition Assistance Programs for military personnel, consistent with DoD Directive 1322.8.

(e) Other subordinate elements as are established by the Director, within the resources assigned by the ASD(FM&P).

§346.5 Responsibilities and functions.

(a) The Director of Education shall:

(1) Serve as the principal staff advisor to the ASD(FM&P) on the DoDDS, section 6 Schools, and CAPSE programs.

(2) Organize, manage, and direct the DoDEA, its subordinate elements, and all assigned resources.

(3) Establish subordinate offices necessary to fulfill assigned missions.

(4) Supervise, administer, implement, and evaluate the policies and procedures for the DoDDS, the section 6 Schools, and the CAPSE programs.

(5) Enter into agreements with the Military Services or other U.S. Government entities, as required, for the effective performance of the responsibilities assigned in this part.

(6) Supervise and administer DoDEA financial management activities.

(7) Develop, for issuance by the ASD(FM&P), such policy or technical guidance, regulations, and instructions as are required to effectively administer and manage the education programs established under this part.

(8) Provide DoDEA representation at meetings and deliberations of educational panels and advisory groups.

(9) Perform other functions as may be assigned by the ASD(FM&P).

(b) The Assistant Secretary of Defense (Force Management and Personnel) shall:

(1) Recommend to the Secretary of Defense policies and resources for the administration of the DoDDS, section 6 Schools, and CAPSE programs.

(2) Exercise direction, authority, and control over the DoDEA.

(c) The Comptroller of the Department of Defense shall provide technical advice and support to the Director for Education on budget and financial management activities to the DoDEA.

(d) The General Counsel of the Department of Defense shall provide legal advice on the implementation of this part.

(e) The Secretaries of the Military Departments shall provide such facilities, logistic, and administrative support as are required for the effective operation of the DoDDS, section 6 Schools, and CAPSE programs. Reimbursements for goods and services shall be made in accordance with DoD Instruction 4000.19[2] and DoD Directive 1400.16.[3]

[1] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

[2] See footnote 1 to §346.5(e).

[3] See footnote 1 to §346.5(e).

§ 346.6 Relationships.

(a) In the performance of assigned duties, the Director of Education shall:

(1) Exchange information and advice and coordinate actions with DoD Components having collateral or related functions.

(2) Use established facilities and services in the Department of Defense and other Government Agencies, whenever practical, to achieve maximum efficiency and economy of operations.

(3) Consult and coordinate with other government and nongovernmental agencies on matters related to the mission of the DoDEA.

(b) All DoD Components shall coordinate with the Director of Education, as appropriate, on matters affecting the mission and operation of the DoDEA.

§ 346.7 Authorities.

The Director of Education is specifically delegated authority to:

(a) Execute the responsibilities and functions described in § 346.5.

(b) Obtain reports, information, advice, and assistance, consistent with the policies and criteria of DoD Directive 7750.5,[4] as deemed necessary.

(c) Communicate directly with appropriate representatives of the DoD Components and other governmental and nongovernmental agencies on matters related to the DoDDS, section 6 Schools, and CAPSE programs.

§ 346.8 Administration.

(a) The Director of Education shall be a civilian selected by the ASD(FM&P).

(b) Administrative support to the DoDEA shall be provided by DoD Components.

(c) The DoDEA shall be authorized such personnel, facilities, funds, and other resources as the Secretary of Defense deems necessary.

PART 347—DEPARTMENT OF DEFENSE DEPENDENTS SCHOOLS (DoDDS)

Sec.
347.1 Purpose.
347.2 Applicability and scope.
347.3 Mission.
347.4 Organization.
347.5 Responsibilities and functions.
347.6 Relationships.
347.7 Authorities.
347.8 Administration.

APPENDIX A TO PART 347—DELEGATIONS OF AUTHORITY.

AUTHORITY: 10 U.S.C. 131(b).

SOURCE: 57 FR 53561, Nov. 12, 1992, unless otherwise noted.

§ 347.1 Purpose.

This part:

(a) Updates the organization, responsibilities, functions, relationships, and authorities for the administration of the DoDDS, which operates schools in overseas areas.

(b) Under 10 U.S.C. 131(b), establishes, pursuant to the authority vested in the Secretary of Defense, the DoDDS, with the mission, organization, responsibilities, functions, relationships, and authorities as prescribed herein.

(c) Under 20 U.S.C. 2701 et. seq. and 20 U.S.C. 1400 et. seq., establishes the Advisory Council on Dependents' Education (ACDE) and the Overseas Dependents' Schools National Advisory Panel on the Education of Disabled Dependents (NAP); establishes the Dependents Education Council (DEC); and, under DoD Instruction 1342.15,[1] establishes such other Educational Advisory Committees or Councils (EACs) as are appropriate.

(d) Continues to authorize publication of DoD 1342.6–M[2] in accordance with DoD 5025.1–M.[3]

§ 347.2 Applicability and scope.

This part applies to:

(a) The Office of the Secretary of Defense; the Military Departments; the Chairman of the Joint Chiefs of Staff and the Joint Staff; the Unified and Specified Commands; the Office of the Inspector General, Department of Defense; the Defense Agencies; and the DoD Field Activities (hereafter referred to collectively as ''the DoD Components''). The term ''Military

[4] See footnote 1 to § 346.5(e).

[1] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

[2] See footnote 1 to § 347.1(c).

[3] See footnote 1 to § 347.1(c).

Services,'' as used herein, refers to the Army, the Navy, the Air Force, the Marine Corps, and the Coast Guard.

(b) Members appointed to serve on the ACDE, the NAP, the DEC, and other EACs established under authority of 20 U.S.C. 2701 et seq., and DoD Instruction 1342.15.

§347.3 Mission.

The mission of the DoDDS is to provide, pursuant to 20 U.S.C. 2701 et. seq. and DoD Directive 1342.13,[4] a free public education of high quality from prekindergarten through grade twelve for eligible minor dependents of U.S. military and civilian personnel of the Department of Defense stationed overseas; and under 20 U.S.C. 1400 et. seq. and DoD Instruction 1342.12,[5] to provide a free appropriate education for children with disabilities, ages 3 through 21; and, under 20 U.S.C. 3731(g), to provide a community college program for eligible students in Panama.

(a) The DoDDS shall also provide programs designed to meet the special needs of:

(1) The disabled.

(2) Individuals in need of compensatory education.

(3) Individuals with an interest in vocational education.

(4) Gifted and talented individuals.

(5) Individuals of limited English-speaking ability.

(6) A developmental preschool program for eligible dependents who are of preschool age.

(b) The DoDDS may also provide, to the extent funds are available:

(1) Extracurricular and co-curricular programs and activities to enrich the school environment and experience.

(2) Student travel to compete in interscholastic programs and competitions.

§347.4 Organization.

(a) The DoDDS is established as an organizational element of the DoD Education Activity (DoDEA), a DoD Field Activity operating under the direction, authority, and control of the Assistant Secretary of Defense (Force Management and Personnel) (ASD(FM&P)). It shall consist of:

(1) A Director.

(2) The Office of Dependents' Education, which is the headquarters element of the DoDDS.

(3) A subordinate organizational structure and such subordinate activities as shall be established by the Director, DoDDS, within resources authorized by the ASD(FM&P).

(b) An ACDE shall be established, in accordance with 20 U.S.C. et. seq., and DoD Directive 5105.4,[6] to advise the ASD(FM&P) and the Director, DoDDS, on improvements to achieve and maintain a high quality public educational program.

(c) A DEC shall be established to provide a consultative relationship between the ASD(FM&P) and the Director, DoDDS, and the Commanders of Unified Combatant Commands and major Service Commands to consider questions of educational policy, and matters related to facilities, logistics, and administrative support provided to the DoDDS by the Military Services.

(d) An Overseas Dependents' Schools National Advisory Panel on the Education of Disabled Dependents shall be established to advise the Director, DoDDS, regarding the needs and requirements for the education of disabled children, as well as the rules and standards that should be developed and maintained for the operation of the system.

(e) Other EACs shall be established to ensure effective communication between school administrators at all levels of administration within the DoDDS and the total school community. The operation of the EACs shall be in accordance with DoD Directive 1342.15.

§347.5 Responsibilities and functions.

(a) The Director, DoD Dependents Schools, shall perform all duties necessary to organize, manage, fund, direct, and supervise the complete operation of the DoDDS. These duties include, but are not limited to, the following duties:

(1) Serve as the principal advisor and staff assistant to the ASD(FM&P) on

[4] See footnote 1 to §347.1(c).

[5] See footnote 1 to §347.1(c).

[6] See footnote 1 to §347.1(c).

matters relating to overseas dependents education.

(2) As required for the DoDDS to perform its mission effectively, develop policies and systems; conduct research, analysis, and evaluation; and issue guidance and regulations.

(3) Keep abreast of developments in the elementary, secondary, and higher education field to ensure appropriate assimilation of new programs and technologies in the overseas dependents schools.

(4) Enter into agreements with or through the DoD Components and other U.S. Government entities, and form such agreements as may be required for the effective performance of the DoDDS program.

(5) Establish subordinate offices and schools necessary to fulfill the mission when practical and/or cost-beneficial.

(6) Provide recommendations and support to the ASD(FM&P) in the development and justification of school construction, modification, and/or repair projects included in annual military construction programs.

(7) Develop, publish, interpret, and maintain:

(i) DoD 1342.6–M to implement this part and other policy decisions of the Secretary of Defense.

(ii) Eligibility policy and procedures for enrollment in an overseas dependents school.

(iii) Policy and procedures for the operation and management of the ACDE, the DEC, the Overseas Dependents' Schools National Advisory Panel on the Education of Disabled Dependents, the installation and local advisory committees, and other EACs.

(iv) Policy and procedures for the delivery of education and related services for children with disabilities.

(8) Engage in collective bargaining and enter into collective bargaining agreements.

(9) Ensure that the DoDDS are operated in accordance with governing law and regulation and with appropriate internal controls.

(10) Enter into agreements with such domestic and foreign national school entities as are necessary to ensure the delivery of educational services under 20 U.S.C. 2701 et. seq., when no overseas dependent school operated by the Department of Defense is determined by DoDDS to be reasonably available.

(11) Accept gratuitous services offered in support of DoDDS programs and mission.

(12) Ensure timely and accurate preparation of budget execution reports and full compliance with accounting requirements in accordance with DoD 7220.9–M.

(13) Establish and operate a nonappropriated fund for the support of student activities that are not supported from appropriated funds.

(14) Establish membership in, and maintain liaison with, such professional educational associations or organizations as are necessary to maintain currency in educational developments and technologies, ensure the proper accreditation of the schools, and promote the advancement of educational goals and objectives.

(15) Serve as the Executive Secretary of the DEC.

(16) Serve as the Executive Secretary of the ACDE in accordance with 20 U.S.C. 2701 et seq.

(17) Perform other functions as may be assigned by the ASD(FM&P).

(b) The Assistant Secretary of Defense (Force Management and Personnel) shall:

(1) Recommend policies and resources for the administration of the DoDDS to the Secretary of Defense.

(2) Exercise direction, authority, and control over the Director, DoDDS, through the Director of Education, in accordance with 32 CFR part 346.

(c) The Advisory Council on Dependents' Education shall meet periodically to:

(1) Recommend to the Director, DoDDS, general policies for operation of the defense dependents' education system with respect to curriculum selection, administration, and operation of the system.

(2) Facilitate the exchange of information between the Director, DoDDS, and other Federal Agencies regarding educational practices and programs that are relevant to the DoDDS.

(3) Perform such other tasks as may be assigned by the ASD(FM&P).

(d) The Dependents Education Council shall meet periodically to:

(1) Consider questions of policy relating to the DoDDS.

(2) Facilitate exchange of information between the DoDDS and the Military Services.

(3) Provide advice to the ASD(FM&P) on matters pertaining to the DoDDS.

(e) The Overseas Dependents' Schools National Advisory Panel on the Education of Disabled Dependents shall meet periodically to:

(1) Recommend to the Director, DoDDS, general policies for operation of the defense dependents' education system with respect to education of individuals with disabilities.

(2) Facilitate the exchange of information between the Director, DoDDS, and officials of other Federal Agencies regarding practices and programs that are relevant to education of individuals with disabilities.

(3) Perform such other tasks as may be assigned by the ASD(FM&P).

(f) The Comptroller of the Department of Defense shall provide technical advice and assistance to the Director, DoDDS, on budget and financial management activities of the DoDDS.

(g) The General Counsel of the Department of Defense shall provide legal advice on the implementation of this part.

(h) The Secretaries of the Military Departments, upon request, shall provide such facilities, logistics, and administrative support as are required for the effective operation of DoDDS activities and the operation of the DEC and other educational advisory committees and councils, including travel and per diem expenses of participant members. Reimbursements for goods and services shall be made in accordance with DoD Instruction 4000.19[7] and DoD Directive 1400.16[8]. However, reimbursement shall not be required for expendable medical supplies and support provided to the DoDDS, which will be furnished and funded by the supporting activity.

§ 347.6 Relationships.

(a) In the performance of assigned duties, the Director, DoDDS, shall:

(1) Exchange information and advice and coordinate actions with DoD Components having collateral or related functions.

(2) Use established facilities and services in the Department of Defense and other Government Agencies, whenever practicable, to achieve maximum efficiency and economy of operations.

(3) Consult and coordinate with other governmental and nongovernmental agencies on matters related to the mission of the DoDDS.

(b) All DoD Components shall coordinate with the Director, DoDDS, as appropriate, on matters affecting the mission and operation of the DoDDS.

§ 347.7 Authorities.

The Director, DoDDS, is specifically delegated authority to:

(a) Execute the responsibilities and functions described in § 347.5.

(b) Obtain reports, information, advice, and assistance, consistent with the policies and criteria of DoD Directive 7750.5,[9] as deemed necessary.

(c) Communicate directly with appropriate representatives of the DoD Components and other governmental and nongovernmental agencies on matters related to the DoDDS.

(d) Exercise the operational and administrative authorities in appendix A to this part when delegated by the ASD(FM&P).

§ 347.8 Administration.

(a) The Director, DoDDS, shall be a civilian selected by the ASD(FM&P).

(b) The DoDDS shall be authorized such personnel, facilities, funds, and other resources as the Secretary of Defense deems necessary.

APPENDIX A TO PART 347—DELEGATIONS OF AUTHORITY

Pursuant to the authority vested in the Secretary of Defense, and subject to the direction, authority, and control of the Secretary of Defense, and in accordance with DoD policies, Directives, and Instructions, the Assistant Secretary of Defense (Force Management and Personnel) ASD(FM&P)), or in the absence of the ASD(FM&P), the person acting for the ASD(FM&P), is hereby delegated authority as required in the administration and operation of the DoDDS to:

[7] See footnote 1 to § 347.1(c).

[8] See footnote 1 to § 347.1(c).

[9] See footnote 1 to § 347.1(c).

1. Exercise the powers vested in the Secretary of Defense by 5 U.S.C. 301, 302, and 3101 on the employment, direction, and general administration of DoDDS civilian personnel.

2. Fix rates of pay for wage-rate employees exempted from the Classification Act of 1949 by 5 U.S.C. 5102 on the basis of rates established under the Coordinated Federal Wage System. In fixing such rates, the ASD(FM&P) shall follow the wage schedule established by the DoD Wage Fixing Authority.

3. Establish advisory committees and employ temporary or intermittent experts or consultants, as approved by the Secretary of Defense, for the performance of DoDDS functions consistent with 10 U.S.C. 173, 5 U.S.C. 3109(b), DoD Directive 5105.4, and the agreement between the Department of Defense and the Office of Personnel Management (OPM) on employment of experts and consultants, June 21, 1977.

4. Administer oaths of office incident to entrance into the Executive Branch of the Federal Government or any other oath required by law in connection with employment therein, in accordance with 5 U.S.C. 2903, and designate in writing, as may be necessary, officers and employees of the DoDDS to perform this function.

5. Establish a DoDDS Incentive Awards Board and authorize cash awards to, and incur necessary expenses for, the honorary recognition of civilian employees of the Government whose suggestions, inventions, superior accomplishments, or other personal efforts, including special acts or services, benefit or affect the DoDDS or its subordinate activities, in accordance with 5 U.S.C. 4503, applicable OPM regulations, and DoD Directive 5120.15.[1]

6. In accordance with 5 U.S.C. 7532; E.O. 10450, 18 FR 2489, 3 CFR, 1949–1953 Comp., p. 936; E.O. 12333, 46 FR 59941, 3 CFR, 1981 Comp., p. 200; E.O. 12356, 47 FR 14874 and 15557, 3 CFR, 1982 Comp., p. 166; and DoD Directive 5200.2,[1] ''DoD Personnel Security Program,'' as appropriate:

a. Designate any position in the DoDDS as a ''sensitive'' position.

b. Authorize, in case of an emergency, the appointment of a person to a sensitive position in the DoDDS for a limited period of time and for whom a full field investigation or other appropriate investigation, including the National Agency Check, has not been completed.

c. Authorize the suspension, but not terminate the services, of a DoDDS employee in the interest of national security.

7. Authorize and approve:

a. Travel for DoDDS civilian employees in accordance with Volume II, Joint Travel Regulations.

b. Invitational travel to non-DoD personnel whose consultative, advisory, or other highly specialized technical services are required in a capacity that is directly related to, or in connection with, DoDDS activities, in accordance with Volume II, Joint Travel Regulations.

c. Overtime work for DoDDS civilian employees in accordance with chapter 55, subchapter V, of 5 U.S.C. and applicable OPM regulations.

8. Develop, establish, and maintain an active and continuing Records Management Program pursuant to 44 U.S.C. 3102 and DoD Directive 5015.2.[2]

9. Authorize the publication of advertisements, notices, or proposals in newspapers, magazines, or other public periodicals as required for the effective administration and operation of the DoDDS, consistent with 44 U.S.C. 3702.

10. Establish and maintain, for the functions assigned, an appropriate publications system for the promulgation of common supply and service regulations, instructions, and reference documents, and changes thereto, pursuant to the policies and procedures prescribed in DoD 5025.1–M.[3]

11. Enter into support and service agreements with the Military Departments, other DoD Components, or other Government Agencies, as required, for the effective performance of DoDDS functions and responsibilities.

12. Enter into and administer contracts, directly or through a Military Department, a DoD contract administration services component, or other Federal Agency, as appropriate, for supplies, equipment, and services required to accomplish the mission of the DoDDS. To the extent that any law or Executive order specifically limits the exercise of such authority to persons at the Secretarial level of a Military Department, such authority shall be exercised by the appropriate Under Secretary or Assistant Secretary of Defense.

13. Approve waivers of indebtedness for DoDDS employees in accordance with 5 U.S.C. 5584.

The ASD(FM&P) may redelegate these authorities, as appropriate, and in writing, except as otherwise provided by law or regulation.

These delegations of authority are October 13, 1992.

[1] See footnote 1 to §347.1(c).

[2] See footnote 1 to §347.1(c).

[3] See footnote 1 to §347.1(c).

PART 348—DEFENSE MEDICAL PROGRAMS ACTIVITY (DMPA)

Sec.
348.1 Purpose.
348.2 Applicability.
348.3 Responsibilities and functions.
348.4 Organization and management.
348.5 Relationships.
348.6 Authorities.
348.7 Administration.

AUTHORITY: 10 U.S.C. 131(b).

SOURCE: 57 FR 53564, Nov. 12, 1992, unless otherwise noted.

§348.1 Purpose.

Under the authority vested in the Secretary of Defense under the provisions of 10 U.S.C. 131(b), this part establishes the DMPA as a DoD Field Activity under the direction, authority, and control of the Assistant Secretary of Defense (Health Affairs) (ASD(HA)), with responsibilities, functions, relationships, and authorities as outlined. The Defense Medical Support Activity, previously established under Defense Medical Support Activity, is hereby disestablished and its functions incorporated within the DMPA.

§348.2 Applicability.

This part applies to the Office of the Secretary of Defense, the Military Departments, the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Unified and Specified Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, and the DoD Field Activities (hereafter referred to collectively as ''the DoD Components'').

§348.3 Responsibilities and functions.

(a) The Director, DMPA, shall:

(b) Develop and maintain the Department of Defense Unified Medical Program to provide resources for all medical activities.

(c) Develop, maintain, and provide guidance for an integrated system for planning, programming, and budgeting for medical facility military construction projects (to include initial construction, replacement, modification, modernization, and supporting facilities) throughout the Department of Defense and for managing the allocation of the financial resources approved for such projects.

(d) Develop, maintain, and oversee the design, enhancement, operation, procurement, and management of information systems and related communications and automated systems in support of the activities of the DoD Military Health Services System (MHSS).

(e) Manage the DoD-wide automated MHSS information systems.

(f) Provide other support for DoD military medical programs, as directed by the ASD(HA).

§348.4 Organization and management.

The DMPA shall consist of:

(a) A Director designated by the ASD(HA) from among personnel within the Office of the ASD(HA).

(b) Such additional subordinate organizational elements as are established by the Director within resources assigned by the Secretary of Defense.

§348.5 Relationships.

(a) In performing assigned functions, the Director, DMPA, shall:

(1) Coordinate actions with the other DoD Components having collateral or related functions in the areas of assigned responsibility.

(2) Maintain liaison with the other DoD Components and other governmental and nongovernmental agencies to exchange information and advice on programs in the field of assigned responsibility.

(3) Make use of established facilities and services in the Department of Defense and other Government Agencies to avoid duplication and achieve maximum efficiency and economy.

(b) The Heads of the DoD Components shall coordinate with the Director, DMPA, on all matters relating to DMPA functions and responsibilities.

§348.6 Authorities.

The Director, DMPA, is authorized to:

(a) Obtain from the other DoD Components, such advice, assistance, and information consistent with the policies and criteria of DoD Directive 7750.5,[1] as necessary to carry out DMPA's assigned responsibilities.

(b) Communicate directly with appropriate personnel in the other DoD Components on matters related to DMPA programs and activities.

(c) Communicate directly with other governmental agencies, representatives of the legislative branch, and members of the public, as appropriate, in carrying out the responsibilities and functions assigned under this part.

§ 348.7 Administration.

(a) The Secretaries of the Military Departments shall assign military personnel to the DMPA in accordance with approved authorizations and established procedures for assignment to joint duty.

(b) Administrative support for the DMPA shall be provided by the Director, Washington Headquarters Services.

PART 350—ASSISTANT SECRETARY OF DEFENSE FOR COMMAND, CONTROL, COMMUNICATIONS, AND INTELLIGENCE (ASD(C31))

Sec.
350.1 Purpose.
350.2 Applicability.
350.3 Responsibilities.
350.4 Functions.
350.5 Relationships.
350.6 Authorities.

AUTHORITY: 10 U.S.C. 136 and 44 U.S.C. 3506(c)(4), and E.O. 12356, 3 CFR, 1982 Comp., p. 166.

SOURCE: 57 FR 7547, Mar. 3, 1992, unless otherwise noted.

§ 350.1 Purpose.

Under the authority vested in the Secretary of Defense by title 10, United States Code, this part reissues DoD Directive 5137.1[1] to update the responsibilities, functions, relationships, and authorities of the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence (ASD(C31)).

§ 350.2 Applicability.

This part applies to the Office of the Secretary of Defense (OSD), the Military Departments, the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Unified and Specified Combatant Commands, the Inspector General of the Department of Defense, the Defense Agencies, and the DoD Field Activities (hereafter referred to collectively as ''the DoD Components'').

§ 350.3 Responsibilities.

The Assistant Secretary of Defense for Command, Control, Communications, and Intelligence shall have as his principal duty the overall supervision of C31 affairs of the Department of Defense. The ASD(C31) is the principal staff assistant and advisor to the Secretary and Deputy Secretary of Defense for C31, information management (IM), counter-intelligence (CI), and security countermeasures (SCM) matters, including warning, reconnaissance, and intelligence and intelligence-related activities conducted by the Department of Defense.

§ 350.4 Functions.

In the exercise of assigned responsibilities, the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence shall:

(a) Serve as principal staff assistant in carrying out the responsibilities of the Secretary of Defense as Executive Agent for the National Communications System.

(b) Serve as the Department's senior IM official pursuant to section 3506(b) of 44 U.S.C.; implement the Defense IM program, the Defense corporate IM initiative, and the principles of corporate IM throughout the Department of Defense; and ensure the proper integration of DoD computing, systems security, telecommunications, and IM activities.

(c) Conduct and account for any acquisitions made pursuant to a delegation of authority under section 111 of the Federal Property and Administrative Services Act (40 U.S.C. 759), in accordance with section 3506(c)(4) of 44 U.S.C.

(d) Serve as the Department's senior information security official pursuant to section 5.3(a) of E.O. 12356.

(e) Serve as the principal DoD official responsible for establishing software policy and practices, but shall not be

[1] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

responsible for computer resources, both hardware and software, that are:

(1) Physically part of, dedicated to, or essential in real time to the mission performance of weapon systems.

(2) Used for weapon system specialized training, simulation, diagnostic test and maintenance, or calibration.

(3) Used for research and development of weapon systems.

(f) Establish and implement IM policy, processes, programs, and standards to govern the development, acquisition, and operation of automated data processing (ADP) equipment by the Department of Defense, but shall not be responsible for ADP equipment that is an integral part of a weapon or weapon system, test support for a weapon or weapon system, or information technology basic research and development.

(g) Chair the Major Automated Information System Review Council (MAISRC). The ASD(C3I) shall operate the MAISRC in a manner consistent with the acquisition policies in DoD Directive 5000.1[2] and, for automated information system programs below the Defense Acquisition Board thresholds, independently of the Defense Acquisition Board (DAB).

(h) Provide program management for the General Defense Intelligence Program, the Foreign Counterintelligence Program, and the Security and Investigative Activities Program.

(i) Serve as the principal DoD official responsible for preparing and defending the Department's C3I, CI, SCM, and IM programs before the Congress.

(j) Review and advise the Secretary of Defense on C3I, CI, SCM, and IM plans and programs; review and recommend requirements and priorities to ensure that DoD requirements are fully considered in the development of these plans and programs; monitor and evaluate the responsiveness of such programs to DoD requirements, particularly their readiness to support military operations.

(k) Provide guidance, and management and technical oversight for all C3I, CI, SCM, and IM projects, programs, and systems being acquired by, or for the use of, the Department of Defense and its Components.

(l) Oversee applicable training and career development programs to ensure that trained manpower is available to support DoD C3I, CI, SCM, and IM mission needs, including manpower requirements for projected systems.

(m) Recommend, advise, and provide assistance to other OSD staff elements on C3I, CI, SCM, and IM matters relevant to the execution of their assigned responsibilities, including the execution of DoD-wide programs to improve standards of performance, economy, and efficiency.

(n) Assess the responsiveness of intelligence products to DoD requirements.

(o) Promote coordination, cooperation, and cross-Service management of joint C3I, IM, CI, and SCM programs to ensure essential interoperability is achieved within the Department of Defense and between the Department of Defense and other Federal Agencies and the civilian community.

(p) Participate, as appropriate, in the DoD planning, programming, and budgeting system for C3I, IM, CI, and SCM activities by reviewing proposed DoD resource programs, formulating budget estimates, recommending resource allocations and priorities, and monitoring the implementation of approved programs.

(q) Establish policy and provide direction to the DoD Components on all matters concerning the assigned functional areas in paragraphs (q)(1) through (q)(26) of this section; serve as the primary focal point for staff coordination on these matters within the Department of Defense, with other Government Departments and Agencies, and with foreign governments and international organizations to which the United States is party; and provide DoD representation to foreign governments and intergovernmental and international organizations when dealing with these matters.

(1) Strategic, theater, and tactical nuclear and conventional command and control.

(2) Information networks.

(3) C3I-related space systems.

(4) Special technology and systems.

(5) Telecommunications.

[2] See footnote 1 to § 350.1.

(6) Identification, navigation, and position fixing systems.

(7) Strategic C3 countermeasures.

(8) Air traffic control and airspace management.

(9) Surveillance, warning, and reconnaissance architectures.

(10) North Atlantic Treaty Organization C3I architectures and systems.

(11) Information systems security.

(12) Intelligence programs, systems, and equipment.

(13) National Communications System activities.

(14) Radio frequency policy and management.

(15) Mapping, charting, and geodsey.

(16) Integration and/or interface of national and tactical C3I systems and programs.

(17) C3I, IM, CI, and SCM career development, including DoD foreign language training.

(18) Information management activities.

(19) Counter-narcotics C3I activities.

(20) C3I, IM, CI, and SCM technology programs and activities.

(21) Counterintelligence operations and investigations policy and programs.

(22) Defense investigative activities, to include personnel security investigations, unauthorized disclosures of classified information, and polygraph examinations.

(23) Security countermeasures activities, to include physical security, personnel security, industrial security, and security classification and safeguards policy and programs.

(24) Operations security and counterimagery security.

(25) Security-related research, including personnel security and polygraph activities.

(26) Data and information systems standardization programs, including DoD-wide data administration.

(r) Perform such other duties as the Secretary of Defense may assign.

§ 350.5 Relationships.

(a) In the performance of all assigned duties, the ASD(C3I) shall:

(1) Report directly to the Secretary and Deputy Secretary of Defense.

(2) Exercise direction, authority, and control over:

(i) Defense Information Systems Agency.

(ii) Defense Intelligence Agency.

(iii) Defense Mapping Agency.

(iv) Defense Investigative Service.

(v) Defense Support Project Office.

(vi) Intelligence Program Support Group.

(vii) Defense Polygraph Institute.

(viii) DoD Security Institute.

(ix) Defense Personnel Security Research Center.

(3) Exercise staff supervision over:

(i) National Security Agency/Central Security Service.

(ii) Air Force and Navy Special Intelligence Programs.

(iii) Electromagnetic Compatibility Analysis Center.

(iv) Defense Courier Service.

(4) Coordinate and exchange information with other OSD officials and heads of DoD Components exercising collateral or related functions.

(5) Use existing facilities and services of the Department of Defense and other Federal Agencies, when practicable, to avoid duplication and to achieve maximum readiness, sustainability, efficiency, and economy.

(6) Work closely with the Director of Central Intelligence to ensure effective complementarity and mutual support between DoD intelligence programs, including DoD programs in the National Foreign Intelligence Program, and non-DoD intelligence programs.

(b) ASD(C3I) acquisition-related activities shall be subject to review by the DAB in accordance with DoD Directive 5000.1 and DoD Directive 5000.49,[3] and shall be subject to the authority of the USD(A) delegated by the Secretary or Deputy Secretary of Defense.

(c) Other OSD officials and heads of the DoD Components shall coordinate with the ASD (C3I) on all matters related to the functions cited in this section.

§350.6 Authorities.

(a) The ASD(C3I) is hereby delegated authority to:

(1) Issue DoD Instructions, DoD publications, and one-time directive-type memoranda, consistent with DoD

[3] See footnote 1 to § 350.1.

5025.1–M,[4] that implement policies approved by the Secretary of Defense in assigned fields of responsibility. Instructions to the Military Departments shall be issued through the Secretaries of those Departments. Instructions to Unified or Specified Combatant Commands shall be communicated through the Chairman of the Joint Chiefs of Staff.

(2) Obtain reports, information, advice, and assistance, consistent with DoD Directive 7750.5,[5] as necessary, in carrying out assigned functions.

(3) Communicate directly with heads of the DoD Components. Communications to the Commanders in Chief of the Unified and Specified Combatant Commands shall be transmitted through the Chairman of the Joint Chiefs of Staff.

(4) Communicate with other Government Agencies, the Executive Office of the President, representatives of the legislative branch, and members of the public, as appropriate, in carrying out assigned functions.

(5) Establish arrangements and appoint representation for DoD participation in non-defense governmental programs for which the ASD(C3I) is assigned DoD cognizance, to include national-level committees.

(6) Waive Federal Information Processing Standards, granted by the Secretary of Commerce Memorandum. The ASD(C3I) may redelegate this authority to the senior officials of the Military Departments designated pursuant to 44 U.S.C. 3506(b). This authority is subject to the conditions specified in the procedures of Secretary of Commerce Memorandum, ''Procedures for Waivers for the Federal Information Processing Standards.''

(7) Make original security classification determinations at the Top Secret level in accordance with E.O. 12356. This authority may be redelegated, as appropriate, and in writing, pursuant to section 1.2(d)(2) of E.O. 12356.

(b) The ASD(C3I) also is hereby delegated the authorities contained in enclosure 3 of DoD Directive 5105.19,[6] enclosure 1 of DoD Directive 5105.21,[7] enclosure 2 of DoD Directive 5105.40,[8] and enclosure 2 of DoD Directive 5105.42.[9] The ASD(C31) may modify, terminate, or redelegate these authorities, in whole or in part, as appropriate, and in writing, except as otherwise provided by law or regulation.

[4] See footnote 1 to § 350.1.
[5] See footnote 1 to § 350.1.
[6] See footnote 1 to § 350.1.
[7] See footnote 1 to § 350.1.
[8] See footnote 1 to § 350.1.
[9] See footnote 1 to § 350.1.

PART 352a—DEFENSE FINANCE AND ACCOUNTING SERVICE (DFAS)

Sec.
352a.1 Purpose.
352a.2 Applicability.
352a.3 Organization and management.
352a.4 Responsibilities and functions.
352a.5 Relationships.
352a.6 Authorities.

APPENDIX TO PART 352A—DELEGATIONS OF AUTHORITY

AUTHORITY: 10 U.S.C. 113.

SOURCE: 55 FR 50179, Dec. 5, 1990, unless otherwise noted.

§ 352a.1 Purpose.

Pursuant to the authority vested in the Secretary of Defense under provisions of title 10, United States Code, this part establishes the Defense Finance and Accounting Service (DFAS) as an Agency of the Department of Defense with responsibilities, functions, authorities, and relationships.

§ 352a.2 Applicability.

This part applies to the Office of the Secretary of Defense (OSD); the Military Departments; the Chairman, Joint Chiefs of Staff and Joint Staff; the Unified and Specified Commands; the Inspector General of the Department of Defense (IG, DoD); the Defense Agencies; and the DoD Field Activities (hereafter referred to collectively as ''DoD Components'')

§ 352a.3 Organization and management.

(a) The DFAS is established as an Agency of the Department of Defense under the direction, authority, and control of the Comptroller of the Department of Defense (C, DoD).

(b) The DFAS shall consist of a Director, selected by the Secretary of Defense, and such subordinate organizational elements as are established by the Director within resources authorized by the Secretary of Defense.

(c) Military personnel shall be assigned to the DFAS in accordance with approved authorizations and procedures for assignment to joint duty.

§ 352a.4 Responsibilities and functions.

(a) The Director, Defense Finance and Accounting Service (DFAS), is the principal DoD executive for finance and accounting requirements, systems, and functions identified in DoD Directive 5118.3,[1] and shall:

(1) Organize, direct, and manage the DFAS and all assigned resources.

(2) Direct finance and accounting requirements, systems, and functions for all appropriated, nonappropriated, working capital, revolving, and trust fund activities, including security assistance.

(3) Establish and enforce requirements, principles, standards, systems, procedures, and practices necessary to comply with finance and accounting statutory and regulatory requirements applicable to the Department of Defense.

(4) Provide finance and accounting services for DoD Components and other Federal activities, as designated by the C, DoD.

(5) Direct the consolidation, standardization, and integration of finance and accounting requirements, functions, procedures, operations, and systems within the Department of Defense and ensure their proper relationship with other DoD functional areas (e.g., budget, personnel, logistics, acquisition, civil engineering, etc.).

(6) Execute statutory and regulatory financial reporting requirements and render financial statements.

(7) Serve as the proponent for civilian professional development in finance and accounting disciplines, and act as approval authority for competency standards and training requirements for appropriate military positions within the DFAS.

(8) Provide advice and recommendations to the C, DoD, on finance and accounting matters.

(9) Approve the establishment or maintenance of all finance and accounting activities independent of the DFAS.

(10) Develop, issue, and maintain DoD 7220.9–M,[2] in accordance with DoD 5025.1–M,[3] consistent with governing statutes, regulations, and policies.

(11) Perform other functions as the Secretary of Defense, Deputy Secretary of Defense, or the C, DoD, may prescribe.

(b) The Comptroller of the Department of Defense (C, DoD) shall provide guidance and direction to the Director, DFAS, on policies and procedures related to the development and operation of DFAS programs and systems.

(c) The Heads of DoD Components shall:

(1) Comply with the requirements, principles, standards, procedures, and practices issued pursuant to § 352a.4(a).

(2) Obtain finance and accounting services from the DFAS.

(3) Provide facilities, personnel, and other support and assistance required to accomplish DFAS objectives, consistent with this Directive and the responsibilities and functions in § 352a.4(a) and the authorities in § 352a.6.

(d) Operational commanders shall continue to be responsible for the control, location, and safety of deployed accounting and finance personnel and resources.

[55 FR 50179, Dec. 5, 1990, as amended at 63 FR 33248, June 18, 1998]

§ 352a.5 Relationships.

(a) In the performance of assigned responsibilities and functions, the Director, DFAS, shall:

(1) Maintain liaison with DoD Components, other Government Agencies, foreign governments, and private sector organizations for the exchange of information concerning assigned programs, activities, and responsibilities.

[1] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

[2] See footnote 1 to § 352a.4(a).

[3] See footnote 1 to § 352a.4(a).

(2) Use established facilities and services of the Department of Defense and other Federal Agencies, whenever practicable, to avoid duplication and to achieve modernization, efficiency, economy, and user satisfaction.

(b) The heads of DoD Components shall coordinate with the Director, DFAS, on all matters related to the responsibilities and functions listed in §352a.4(a).

§352a.6 Authorities.

The Director, DFAS, is specifically delegated authority to:

(a) Represent the C, DoD, on finance and accounting matters.

(b) Have free and direct access to, and communicate with, DoD Components and other Executive Departments and Agencies concerning finance and accounting activities, as necessary.

(c) Enter into agreements with DoD Components and other Government or Non-Government entities for the effective performance of the DFAS mission and programs.

(d) Establish DFAS facilities if needed facilities or services of other DoD Components are not available. Establishment of new facilities and services will be accomplished during normal program and budget processes.

(e) Obtain reports, information, advice, and assistance from DoD Components, consistent with the policies and criteria of DoD Directive 7750.5.[4]

APPENDIX TO PART 352a—DELEGATIONS OF AUTHORITY

Pursuant to the authority vested in the Secretary of Defense, and subject to the direction, authority, and control of the Secretary of Defense, and in accordance with DoD policies, Directives, and Instructions, the Director, Defense Finance and Accounting Service (DFAS), or in the absence of the Director, the person acting for the Director, is hereby delegated authority as required in the administration and operation of the DFAS to:

1. Establish advisory committees and employ part-time advisors, as approved by the Secretary of Defense, in support of assigned DFAS functions pursuant to 10 U.S.C. 173; Pub. L. 92–463, ''Federal Advisory Committe Act''; and DoD Directive 5105.4[1], ''Department of Defense Federal Advisory Committee Management Program,'' September 5, 1989.

2. Designate any position in the DFAS as a ''sensitive'' position, in accordance with 5 U.S.C. 7532; Executive Order 10450, as amended; and DoD Directive 5200.2[2]. ''DoD Personnel Security Program,'' December 20, 1979, as appropriate.

a. Authorize, in case of an emergency, the appointment to a sensitive position, for a limited period of time, of a person for whom a full field investigiation or other appropriate investigation, including the National Agency Check, has not been completed.

b. Authorize the suspension, but not terminate the service, of the employee in the interest of national security.

3. Authorize and approve overtime work for assigned civilian personnel in accordance with 5 U.S.C. chapter 55, subchapter V, and applicable Office of Personnel Management (OPM) regulations.

4. Authorize and approve:

a. Travel for assigned personnel, in accordance with Joint Travel Regulations.

b. Invitational travel to persons serving without compensation whose consultative, advisory, or other services are required for assigned activities and responsibilities pursuant to 5 U.S.C. 5703.

5. Approve the expenditure of funds available for travel by assigned or detailed military personnel for expenses regarding attendance at meetings of technical, scientific, professional, or other similar organizations in such instances when the approval of the Secretary of Defense, or designee, is required by law (37 U.S.C. 412 and 5 U.S.C. 4110 and 4111). This authority cannot be redelegated.

6. Develop, establish, and maintain an active and continuing Records Management Program and DoD Directive 5015.2[3], ''Records Management Program,'' September 17, 1980; DoD Directive 5400.74[4], ''DoD Freedom of Information Act Program,'' May 13, 1988; and DoD Directive 5400.11[5], ''Department of Defense Privacy Program,'' June 9, 1982.

7. Establish and use imprest funds for making small purchases of material and services, other than personal services, when it is determined more advantageous and consistent with the best interests of the Government, in

[4] See footnote 1 to §352a.4(a).

[1] Copies may be obtained, at cost, National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

[2] See footnote 1 to paragraph 1. of this appendix.

[3] See footnote 1 to paragraph 1 of this appendix.

[4] See footnote 1 to paragraph 1 of this appendix.

[5] See footnote 1 to paragraph 1 of this appendix.

accordance with DoD Directive 7360.10[6], ''Disbursing Policies,'' January 17, 1989.

8. Authorize the publication of advertisements, notices, or proposals, in newspapers, magazines, or other public periodicals as required for the effective administration and operation of assigned responsibilities, consistent with 44 U.S.C. 3702.

9. Establish and maintain appropriate property accounts, appoint Boards of Survey, approve reports of survey, relieve personal liability, and remove accountability for Agency property contained in the authorized property accounts that has been lost, damaged, stolen, destroyed, or otherwise rendered unserviceable, in accordance with applicable laws and regulations.

10. Promulgate the necessary security regulations for the protection of property placed under the jurisdiction of the Director, pursuant to DoD Directive 5200.8[7], ''Security of Military Installation of Resources,'' July 29, 1980.

11. Establish and maintain a publications system for the promulgation of common accounting and finance regulations, instructions, and reference documents, and changes thereto, pursuant to the policies and procedures prescribed in DoD 5025.1–M[8], ''Department of Defense Directives System Procedures,'' April 1981, authorized by DoD Directive 5025.1[9], December 23, 1988.

12. Exercise the powers vested in the Secretary of Defense by 5 U.S.C. 310, 302(b), and 3101 of the employment, direction, and general administration of assigned employees.

13. Administer oaths of office to those entering the Executive branch of the Federal Government or any other oath required by law in connection with employment therein, in accordance with 5 U.S.C. 2903, and designate in writing, as may be necessary, officers and employees of the DFAS to perform this function.

14. Establish a DFAS Incentive Awards Board, and pay cash awards to, and incur necessary expenses for the honorary recognition of, civilian employees of the Government whose suggestions, inventions, superior accomplishments, or other personal efforts, including special acts or services, benefit or affect the DFAS or its subordinate activities, in accordance with 5 U.S.C. 4503, OPM regulations, and DoD Directive 5120.15[10], ''Authority for Approval of Cash Honorary Awards for DoD Personnel,'' August 13, 1985.

15. Act as an agent for the collection and payment of employment taxes imposed by Chapter 21 of the Internal Revenue Code of 1954, as amended; and, as such agent, make all determinations and certification required or provided for under the Internal Revenue Code of 1954, as amended (26 U.S.C. 3122), and the Social Security Act (42 U.S.C. 405(p)(1) and (2)), as amended, on assigned employees.

16. Enter into and administer contracts directly or through a Military Department, a DoD contracting administration service component, or other Government Department or Agency, as appropriate, for supplies, equipment, and services required to accomplish the DFAS mission.

17. Oversee disbursing officials and operations in accordance with the procedures of 31 U.S.C., as follows:

a. Manage the approval and appointment process for disbursing and certifying officials pursuant to 31 U.S.C. 3321 and 3325.

b. Make determinations and recommendations with respect to the granting of relief to disbursing officials pursuant to the authority contained in 31 U.S.C. 3527.

c. Approve requests to hold cash at personal risk for authorized purposes, including imprest funds, and to redelegate such authority as appropriate in the administration and control of DoD funds, consistent with the Treasury Financial Manual (TFM) and under the authority of 31 U.S.C. 3321 and 3342.

d. Approve DoD Component disbursing regulations developed to implement the TFM and to grant waivers when delegated by the Secretary of the Treasury to heads of Executive Departments and Agencies.

The Director, DFAS may, in writing, redelegate these authorities as appropriate, except as otherwise specifically indicated above or as otherwise provided by law or regulation.

[6] See footnote 1 to paragraph 1. of this appendix.

[7] See footnote 1 to paragraph 1 of this appendix.

[8] See footnote 1 to paragraph 1 of this appendix.

[9] See footnote 1 to paragraph 1 of this appendix.

[10] See footnote 1 to paragraph 1 of this appendix.

PART 353—ASSISTANT SECRETARY OF DEFENSE (LEGISLATIVE AFFAIRS)

Sec.
353.1 Reissuance and purpose.
353.2 Definition.
353.3 Responsibilities and functions.
353.4 Relationships.
353.5 Authorities.

AUTHORITY: 10 U.S.C. 136.

SOURCE: 47 FR 32111, July 26, 1982, unless otherwise noted.

§ 353.1 Reissuance and purpose.

This part establishes, pursuant to the authority vested in the Secretary of Defense under Title 10, U.S.C., 136, one

of the positions of Assistant Secretary of Defense as Assistant Secretary of Defense (Legislative Affairs) (ASD(LA)), with responsibilities, functions, and authorities as prescribed herein.

§ 353.2 Definition.

DoD Components. The Office of the Secretary of Defense, the Military Departments, the Organization of the Joint Chiefs of Staff, the Unified and Specified Commands, and the Defense Agencies.

§ 353.3 Responsibilities and functions.

The *Assistant Secretary of Defense (Legislative Affairs)* as the principal staff assistant to the Secretary of Defense for DoD relations with the members of Congress, shall:

(a) Provide advice and assistance concerning congressional aspects of DoD policies, plans, and programs.

(b) Coordinate actions relating to congressional consideration of the DoD legislative program.

(c) Coordinate DoD participation in congressional hearings and investigations.

(d) Assign responsibility for, and coordinate responses to, congressional inquiries.

(e) Process and coordinate requests for DoD support of congressional travel.

(f) Arrange for the designation and appearance of witnesses and provision of information at congressional hearings.

(g) Coordinate the preparation of all congressional testimony and backup material for the Secretary and Deputy Secretary of Defense.

(h) Provide for DoD processing of personal security clearances for members of congressional staffs.

(i) Perform such other duties as the Secretary of Defense may assign.

§ 353.4 Relationships.

(a) In the performance of his duties, the ASD(LA) shall:

(1) Coordinate and exchange information with DoD Components having collateral or related functions.

(2) Use existing facilities and services of the Department of Defense or other federal agencies to avoid duplication and achieve maximum efficiency and economy.

(b) Heads of DoD Components shall coordinate with the ASD(LA) on all matters related to the functions cited in

§ 353.5 Authorities.

The ASD(LA) is hereby delegated authority to:

(a) Issue DoD Instruction and one-time directive-type memoranda, consistent with DoD Directive 5025.1, ''DoD Directives System,'' October 16, 1980 which carry out policies approved by the Secretary of Defense in assigned fields of responsibility. Instructions to the Military Departments shall be issued through the Secretaries of those Departments, or their designees. Instructions to Unified and Specified Commands will be issued through the Joint Chiefs of Staff.

(b) Obtain reports, information, advice, and assistance consistent with the policies and criteria of DoD Directive 5000.19, ''Policies for the Management and Control of Information Requirements,'' March 12, 1976, as necessary.

(c) Communicate directly with DoD Components. Communications to the Commanders of Unified and Specified Commands shall be coordinated with the Joint Chiefs of Staff.

(d) Communicate with the Executive Office of the President, other Government agencies, representatives of the legislative branch, and members of the public, as appropriate, in carrying out assigned functions.

PART 362—DEFENSE INFORMATION SYSTEMS AGENCY (DISA)

Sec.
362.1 Purpose.
362.2 Definitions.
362.3 Mission.
362.4 Organization and management.
362.5 Responsibilities and functions.
362.6 Relationships.
362.7 Authority.
362.8 Administration.

APPENDIX A TO PART 362—DELEGATIONS OF AUTHORITY

AUTHORITY: 10 U.S.C. 193.

SOURCE: 56 FR 31540, July 11, 1991, unless otherwise noted.

§ 362.1 Purpose.

This part changes the name of the Defense Communications Agency (DCA) to the Defense Information Systems Agency (DISA) and revises the responsibilities, functions, relationships, and authorities of the DISA. For the purposes of 10 U.S.C. 193, any other law or regulation, or for any other purpose, DISA will perform the functions of the Defense Communications Agency.

§ 362.2 Definitions.

(a) *Defense Communications System (DCS).* (1) The DCS is a composite of DoD-owned and -leased telecommunications subsystems and networks comprised of facilities, personnel, and material under the management control and operational direction of the DISA. It provides the longhaul, point-to-point, and switched network telecommunications needed to satisfy the requirements of the Department of Defense and certain other Government Agencies, including those required to interconnect the NCA, the Chairman of the Joint Chiefs of Staff, and the Unified and Specified Commanders with the general purpose networks.

(2) The DCS includes fixed, transportable, and mobile facilities. It consists of:

(i) Switching and/or relay facilities to include associated software of the general purpose (common user) networks, such as Defense Switched Network (DSN), Automatic Digital Network (AUTODIN), Defense Data Network (DDN), and Secure Voice System.

(ii) Transmission media and/or circuits that provide user and/or subscriber connection into the DCS networks, or which interconnect the switching and/or relay facilities and/or the user and/or subscriber terminals in use by the DCS. This includes the assets of the Defense Satellite Communications System, except those portions that are specifically excluded from the DCS.

(3) Although the DISA specifies the interconnection and interface standards when operated with DCS networks, the DCS does not include:

(i) Mobile and/or transportable communications facilities and assets organic to Army, Navy, Air Force, and Fleet Marine forces, unless specifically designated as components of the DCS.

(ii) Ship and/or ship, ship and/or shore, air and/or air, air and/or ground, and other tactical telecommunications.

(iii) Post, camp, base, and station user and/or subscriber facilities and terminals.

(iv) On-site telecommunications facilities associated with or integral to weapons systems and to missile launch complexes, including those required for countdown, command, control, weapons destruct, and range safety.

(v) Consoles and display devices integral to the Unified and Specified Command Centers, their DoD Component Headquarters, and the Military Services' operations centers.

(b) *Fielding Plan.* A fielding plan details the coordination and execution involved in the deployment of a system or equipment, and addresses interoperability opportunities and constraints. The plan includes sufficient information for a common understanding between the program sponsor and the gaining command for equipment quantities, implementation schedules, skill qualifications and training, and any additional manpower, facilities, or support requirements.

(c) *Long-haul Telecommunications.* All general purpose and special purpose long-distance facilities and services (including terminal equipment and local circuitry supporting the long-haul service) used to support the electromagnetic and/or optical dissemination, transmission, or reception of information via voice, data, video, integrated telecommunications, wire, or radio to or from the post, camp, base, or station switch and/or main frame (except for trunk lines to the first-serving commercial central office for local communications services). That includes the FTS2000, DSN, DDN, the AUTODIN, dedicated point-to-point service, and the Primary Interexchange Carrier service associated with business or tie line to the local exchange carrier (e.g., Direct Distance Dialing, Foreign Exchange, WATS, 800 service, etc.) and contractor-provided telecommunications, including the interconnection of various functional Automated Data Processing Systems.

(d) Military Departments' Operations and Maintenance Commands. The Army Information Systems Command, Air Force Communications Command, and the Naval Computers and Telecommunications Command.

(e) Military Satellite Communications (MILSATCOM) Systems. The totality of existing and planned DoD satellite communications capability consisting of the space, ground, and control segments. MILSATCOM systems include the interfaces between satellite systems and ground segments, and the interfaces with other communications systems.

(f) *National Communications System (NCS).* (1) The NCS was established by E.O. 12472 (3 CFR, 1984 Comp., p. 193). It consists of the telecommunications assets of the entities represented on the NCS Committee of Principals and an administrative structure consisting of the Executive Agent, the NCS Committee of Principals, and the Manager.

(2) The mission of the NCS is to assist the President, the National Security Council, the Director of the Office of Science and Technology Policy, and the Director of the Office of Management and Budget in:

(i) The exercise of the telecommunications functions and responsibilities assigned in E.O. 12472.

(ii) The coordination of the planning for, and provision of, national security emergency preparedness communications for the Federal Government under all circumstances, including crisis or emergency, attack, recovery, and reconstitution.

(g) *National Military Command System (NMCS).* The NMCS is the priority DoD Component of the WWMCCS designed to support the NCA in the exercise of its responsibilities. It also supports the Chairman of the Joint Chiefs of Staff in the exercise of his responsibilities.

(h) *Operational Test Agency (OTA).* Separate and independent from the material developing and/or procuring Agency and from the using Agency, the major field OTA shall be responsible for planning and conducting operational tests, reporting test results, and providing an evaluation of the tested system's operational effectiveness and suitability directly to the Agency's Director.

(i) *Procedural Interface Standards.* Specifications for accomplishing the exchange of information across an interface. They define:

(1) The form or format in which information is to be exchanged.

(2) The prescribed information exchange language, syntax, and vocabulary to be used in the information exchange.

(3) Interface operating procedures that govern the information exchange.

(j) *Technical Interface Standards.* Specifications of the functional, electrical, and physical characteristics necessary to allow the exchange of information across an interface between different C3 and information systems or equipment.

(k) *Worldwide Military Command and Control System (WWMCCS).* The WWMCCS is the worldwide command and control system that provides the means for operational direction and technical administrative support involved in the function of C2 of U.S. military forces.

§362.3 Mission.

The DISA is responsible for planning, developing, and supporting command, control, communications (C3), and information systems that serve the needs of the National Command Authorities (NCA) under all conditions of peace and war. It provides guidance and support on technical and operational C3 and information systems issues affecting the Office of the Secretary of Defense (OSD), the Military Departments, the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Unified and Specified Commands, and the Defense Agencies (hereafter referred to collectively as ''the DoD Components''). It ensures the interoperability of the Worldwide Military Command and Control System (WWMCCS), the Defense Communications System (DCS), theater and tactical command and control systems, North Atlantic Treaty Organization and/or allied C3 systems, and those national and/or international commercial systems that affect the DISA mission. It supports national security emergency preparedness telecommunications functions of the National Communications System (NCS), as prescribed by E.O. 12472.

§ 362.4 Organization and management.

The DISA is established as a Combat Support Agency of the Department of Defense, and shall be under the direction, authority, and control of the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence (ASD(C3I)). It shall consist of a Director and such subordinate organizational elements as are established by the Director within the resources authorized by the Secretary of Defense.

§ 362.5 Responsibilities and functions.

(a) The Director, Defense Information Systems Agency, shall:

(1) Organize, direct, and manage the DISA and all assigned resources consistent with this part.

(2) Provide technical and management advice, and perform planning, support systems engineering, and test and/or evaluation support through the design, development, deployment, and evolution of the WWMCCS, as defined in DoD Directive 5100.30.[1] This includes the National Military Command System (NMCS) under DoD Directive S–5100.44[2] and supporting Communications, especially connectivity to nuclear forces. In accordance with DoD Directive 5100.79,[3] provide the necessary guidance, direction, and support to accomplish the definition of technical concepts and performance characteristics for engineering the WWMCCS in consonance with the approved WWMCCS architecture. Recommend revision of the WWMCCS architecture to meet changing policy, doctrine, requirements, systems environments, threats, technology, and resources. Provide planning, engineering, and technical support to the DoD Components, as needed, to ensure the evolution and integration of C3 and information systems within the WWMCCS.

(3) Perform systems engineering for the DCS and ensure that the DCS is planned, improved, operated, maintained, and managed effectively and efficiently. Ensure that end-to-end interoperability and architecture are adequate to meet mission needs. Exercise program management responsibility with management control over the activities of the DoD Components that directly support the establishment and improvement of the DCS.

(4) In consultation with the Chairman of the Joint Chiefs of Staff, formulate the DoD-wide Military Satellite Communications (MILSATCOM) architecture. Analyze user requirements and maintain the user data base. Define system performance criteria for MILSATCOM systems. Establish, in coordination with the DoD Components, overall goals and long-term system plans and transitions for MILSATCOM systems. Perform general systems engineering to promote end-to-end interoperability and performance to meet mission needs. Analyze, on a continuing basis, Military Service programs, plans, budgets, and MILSATCOM systems performance deficiencies, and recommend corrective action, as appropriate. Manage, operate, and support the MILSATCOM systems office to perform functions specified in DoD Directive 5105.44.[4]

(5) Ensure the end-to-end interoperability of strategic and tactical C3 and information systems used by the NCA and the DoD Components for joint and combined operations. Develop and maintain joint architectures, technical and procedural interface standards, specifications, protocols, and definitions; and test and/or verify the interoperability of hardware and procedures for strategic and tactical C3 and information systems. Recommend certification for these systems and their equipment interfaces. With respect to tactical command, control, communications, and intelligence (C3I) systems, DoD Directive 4630.5[5] shall be observed.

(6) Provide automated information systems, analytical, and other technical support for Chairman of the Joint

[1] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

[2] Classified document. Not releasable to the public.

[3] See footnote 1 to § 362.5(a)(2).

[4] See footnote 1 to § 362.5(a)(2).

[5] See footnote 1 to § 362.5(a)(2).

Chiefs of Staff- and OSD-managed programs. Manage, design, develop, maintain, test, and evaluate standard operating systems and applications software for the WWMCCS, as directed. Assist in implementing configuration control over evolving information systems.

(7) Develop systems architectures and provide systems engineering support. Ensure the evolution of integrated C3 and information systems supporting the NCA's and DoD Components' capability to effectively employ weapon systems and forces. Identify and implement technical improvements and assist the Chairman of the Joint Chiefs of Staff and the Commanders of the Unified and Specified Commands in identifying C3 systems' deficiencies.

(8) Manage nationally sensitive special C3 programs, as directed by higher authority.

(9) Acquire commercial communications services (e.g., long-haul telecommunications circuits, facilities, networks, and associated equipment) for the Department of Defense and other Federal Agencies, as directed; initiate and manage actions relating to regulatory and tariff matters, including rates for these commercial communications services; and manage and maintain the Communications Services Industrial Fund.

(10) Execute tasks as manager of the NCS as may be assigned by law or directed by the Secretary of Defense in the Secretary's capacity as Executive Agent of the NCS.

(11) Review Military Department programs and budgets related to the DISA mission, and recommend actions, through the ASD(C3I), to the Secretary of Defense.

(12) Provide DoD representation and/or participation in selected national and international C3 activities.

(13) Assist OSD and Chairman of the Joint Chiefs of Staff activities by assessing technology; recommend and conduct a program of research, development, test, and evaluation (RDT&E) necessary to ensure that C3 systems remain capable of performing their assigned functions in threatened environments. Monitor and coordinate, as appropriate, DoD Component C3 RDT&E programs.

(14) Exercise operational direction and management control of the DCS through the DISA Operations Control Complex and the Military Departments' operations and maintenance commands. Perform circuit engineering and allocation, and direct restoral for the DCS, in coordination with the NCS's National Coordinating Center.

(15) Establish and maintain a major field independent operational test capability, as an Operational test agency (OTA) under the director, and conduct operational test and evaluation (OT&E) in accordance with DoD Directive 5000.1.[6] Conduct OT&E in a mission and threat environment as operationally realistic as possible.

(16) Serve as Executive Agent and authority for the Joint Interoperability of Tactical Command and Control Systems Program and the Tactical C3I Interoperability Improvement Program.

(17) Provide administrative support to the White House Communications Agency and to the Office of Emergency Operations.

(18) Serve on the Military Communications Electronics Board.

(19) Provide liaison with, and communications support for, the United States Secret Service in accordance with DoD Directive 3025.13.[7]

(20) Develop and maintain databases of developmental and existing interoperability standards.

(21) Coordinate information system security (communications security and computer security) interoperability requirements with cognizant DoD Components.

(22) Review tactical C3 Fielding Plans and define interface specifications, develop and maintain a joint tactical C3 architecture defining joint tactical communications systems (including nonstrategic nuclear forces C3) required to ensure interoperability and information flow among command and control (C2) systems.

(23) Develop, test, and maintain technical and procedural interface standards to be used by tactical C3 systems

[6] See footnote 1 to § 362.5(a)(2).

[7] See footnote 1 to § 362.5(a)(2).

in joint or combined military operations, in accordance with guidance provided by the Chairman of the Joint Chiefs of Staff, and verify that such systems have implemented the approved interface standards.

(24) Monitor and coordinate strategic and/or tactical C3 programs for which the DISA has responsibility, but which are included in the programs of other DoD Components and Government Agencies, and monitor other programs that may affect tactical C3 interoperability.

(25) Provide source documents from which the DoD Components can develop training materials to facilitate implementation of the tactical C3 architecture.

(26) Develop and maintain databases of tactical C3 developmental and existing interoperability standards.

(27) Coordinate secure tactical C3 communications interoperability requirements with the National Security Agency (NSA)/Central Security Service (CSS), the Defense Intelligence Agency, the Military Departments, and the Chairman of the Joint Chiefs of Staff.

(28) In coordination with NSA/CSS and the Military Departments, and in accordance with DoD Directive C–5200.5,[8] develop a tactical secure communications architecture as an integral part of the overall joint architecture, including orderly and timely introduction of systems to satisfy interoperability requirements.

(29) Provide technical support to the ASD(C3I) in the implementation of the Defense information management program and the Defense corporate information management initiative, to include administrative and technical support as directed by the ASD(C3I).

(30) Support the technical implementation of the Defense information management program and the Defense corporate information management initiative DoD-wide, to include the development and use of process, data, performance and economic models, and related tools; assisting in the development, coordination and execution of the DoD data administration program; providing, as tasked, information services to include operation and design activities and data processing centers; and assisting in the assessment of DoD information services' efficiency and effectiveness.

(31) Perform such other functions as may be assigned by the ASD(C3I)

(b) [Reserved]

§ 362.6 Relationships.

(a) In performing assigned functions, the Director, DISA, shall:

(1) Subject to the direction, authority, and control of the ASD(C3I), be responsible to the Chairman of the Joint Chiefs of Staff for operational matters as well as requirements associated with the joint planning process. For these purposes, the Chairman of the Joint Chiefs of Staff is authorized to communicate directly with the Director, DISA, and may task the Director, DISA to the extent authorized by the ASD(C3I).

(2) Coordinate actions, as appropriate, with other DoD Components and those Departments and Agencies of Government having related functions.

(3) Maintain liaison with other DoD Components and other Agencies of the Executive Branch for the exchange of information on programs and activities in the field of assigned responsibility.

(4) Use established facilities and services in the Department of Defense or other Government Agencies, whenever practicable, to achieve maximum efficiency and economy.

(b) The Secretaries of the Military Departments and the Directors of the Defense Agencies shall:

(1) Provide support to include planning, programming, and budgeting; test and evaluation; operations and maintenance; and integrated logistics support for programs, projects, and systems for which the DISA is responsible.

(2) Advise the Director, DISA, of funding shortfalls that would prevent effective operations and maintenance of existing systems, or prevent or delay scheduled implementation of new subsystems or projects.

(3) Coordinate with the Director, DISA, on all programs and activities that include, or are related to, C3 and information systems for which the DISA has a primary or collateral responsibility. Provide to the DISA, for

[8] See footnote 2 to § 362.5(a)(2).

review and approval before execution, technical specifications, statements of work, and proposed contract changes impacting on configuration, cost, performance, or schedules of all systems for which the DISA is responsible. Obtain the DISA's concurrence on draft acquisition plans and request DISA representation on source selection advisory councils and source selection evaluation boards for C3 and information systems, subsystems, and projects.

(4) Submit C3 and information systems requirements to the DISA, as appropriate.

(5) Submit copies of all requirements involving development, acquisition, or modification of all tactical C3 systems or equipment, copies of all Test and Evaluation Master Plans for such materials, Fielding Plans, and such other reports, as required by DoD Directive 4630.5, to the Director, Joint Tactical Command, Control, and Communications Agency.

(6) Periodically review the efficiency, economy, and effectiveness of the DISA.

(c) The Chairman of the Joint Chiefs of Staff shall:

(1) Review DCS planning and programming documents, and assess their responsiveness to operational, developmental, and training requirements.

(2) Periodically (not less than every 2 years), submit to the Secretary of Defense a report on DISA's responsiveness and readiness to support operating forces in the event of war or threat to national security, and other recommendations as appropriate.

(3) Advise the Secretary of Defense on C3 and information systems requirements and priorities.

(4) Develop and issue jointly with the ASD(C3I) guidance to the DISA and the Unified and Specified Commands that will serve as the basis for interrelationships between these organizations.

(5) Provide for the participation of DISA in joint training exercises and monitor performance.

§ 362.7 Authority.

The Director, DISA, is specifically delegated authority to:

(a) Communicate directly with heads of the DoD Components and other Executive Departments and Agencies, as necessary, to carry out DISA's responsibilities and functions. Communications to the Commanders in Chief of the Unified and Specified Commands shall be coordinated as appropriate with the Chairman of the Joint Chiefs of Staff.

(b) Obtain reports, information, advice, and assistance consistent with the policies and criteria of DoD Directives 4630.5 and 7750.5,[9] as necessary, to carry out DISA-assigned responsibilities and functions.

(c) Exercise the administrative authorities in appendix A to part 362 when delegated by the ASD(C3I).

§ 362.8 Administration.

(a) The Director and the Deputy Director, DISA, shall be appointed by the Secretary of Defense.

(b) The Military Departments shall assign military personnel to the DISA in accordance with approved authorizations and procedures for assignment to joint duty. The Chairman of the Joint Chiefs of Staff shall review and provide recommendations on the DISA joint manpower program to the ASD(C3I), as appropriate, for those functions where DISA is responsive to the Chairman of the Joint Chiefs of Staff.

APPENDIX A TO PART 362—DELEGATIONS OF AUTHORITY

Pursuant to the authority vested in the Secretary of Defense, and subject to the direction, authority, and control of the Secretary of Defense, and in accordance with DoD policies, Directives, Instructions, the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence (ASD(C3I)), or in the absence of the ASD(C3I), the person acting for the ASD(C3I), is hereby delegated authority as required in the administration and operation of the DISA to:

1. Exercise the powers vested in the Secretary of Defense by 5 U.S.C. 301, 302(b), and 3101 on the employment, direction, and general administration of DISA civilian personnel.

2. Fix rates of pay for wage-rate employees exempted from the Classification Act of 1949 by 5 U.S.C. 5102 on the basis of rates established under the Coordinated Federal Wage System. In fixing such rates, the ASD(C3I), shall follow the wage schedule established by the DoD Wage Fixing Authority.

[9] See footnote 1 to § 362.5(a)(2).

3. Establish advisory committees and employ temporary or intermittent experts or consultants, as approved by the Secretary of Defense, for the performance of DISA functions consistent with the 10 U.S.C. 173; 5 U.S.C. 3109(b); DoD Directive 5105.4,[1] ''DoD Federal Advisory Committee Management Program,'' September 5, 1989; and the agreement between the Department of Defense and the Office of Personnel Management (OPM) on employment of experts and consultants, June 21, 1977.

4. Administer oaths of office incident to entrance into the Executive Branch of the Federal Government or any other oath required by law in connection with employment therein, in accordance with 5 U.S.C. 2903, and designate in writing, as may be necessary, officers and employees of the DISA to perform this function.

5. Establish a DISA Incentive Awards Board and authorize cash awards to, and incur necessary expenses for, the honorary recognition of civilian employees of the Government whose suggestions, inventions, superior accomplishments, or other personal efforts, including special acts or services, benefit or affect the DISA or its subordinate activities, in accordance with 5 U.S.C. 4503, applicable OPM regulations, and DoD Directive 5120.15,[2] ''Authority for Approval of Cash Honorary Awards for DoD Personnel,'' August 13, 1985.

6. In accordance with 5 U.S.C. 7532; Executive Orders 10450, 12333, and 12356; and DoD Directive 5200.2,[3] ''DoD Personnel Security Program,'' December 20, 1979; as appropriate:

a. Designate any position in the DISA as a ''sensitive'' position.

b. Authorize, in case of an emergency, the appointment of a person to a sensitive position in the DISA for a limited period of time and for whom a full field investigation or other appropriate investigation, including the National Agency Check, has not been completed.

c. Authorize the suspension, but not terminate the services, of a DISA employee in the interest of national security.

d. Initiate investigations, issue personnel security clearances and, if necessary, in the interest of national security, suspend, revoke, or deny a security clearance for personnel assigned, detailed to, or employed by the DISA. Any action to deny or revoke a security clearance shall be taken in accordance with procedures prescribed in DoD 5200.2–R,[4] ''DoD Personnel Security Program,'' January 1987.

7. Act as agent for the collection and payment of employment taxes imposed by chapter 21 of the Internal Revenue Code of 1954, as amended; and, as such agent, make all determinations and certifications required or provided for under section 3122 of the Internal Revenue Code of 1954, as amended, and section 205(p) (1) and (2) of 42 U.S.C. (Social Security Act), as amended, with respect to DISA employees.

8. Authorize and approve:

a. Temporary duty travel for military personnel assigned or detailed to the DISA in accordance with Volume I, Joint Federal Travel Regulations.

b. Travel for DISA civilian officers and employees in accordance with Volume II, Joint Travel Regulations.

c. Invitational travel to non-DoD employees whose consultative, advisory, or other highly specialized technical services are required in a capacity that is directly related to, or in connection with, DISA activities, in accordance with Volume II, Joint Travel Regulations.

d. Overtime work for DISA civilian employees in accordance with chapter 55, subpart V, of 5 U.S.C. and applicable OPM regulations.

9. Approve the expenditure of funds available for travel by military personnel assigned or detailed to the DISA for expenses incident to attendance at meetings of technical, scientific, professional, or other similar organizations in such instances where the approval of the Secretary of Defense, or designee, is required by 37 U.S.C. 412, and 5 U.S.C. 4110 and 4111.

10. Develop, establish, and maintain an active and continuing Records Management Program pursuant to 44 U.S.C. 3102 and DoD Directive 5015.2,[5] ''Records Management Program,'' March 22, 1991.

11. Establish and use imprest funds for making small purchases of material and services, other than personal services, for the DISA, when it is determined more advantageous and consistent with the best interests of the Government, in accordance with DoD Directive 7360.10,[6] ''Disbursing Policies,'' January 17, 1989.

12. Authorize the publication of advertisements, notices, or proposals in newspapers, magazines, or other public periodicals as required for the effective administration and operation of the DISA consistent with 44 U.S.C. 3702.

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[1] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

[2] See footnote 1 to section 3 of this appendix.

[3] See footnote 1 to section 3 of this appendix.

[4] See footnote 1 to section 3 of this appendix.

[5] See footnote 1 to section 3 of this appendix.

[6] See footnote 1 to section 3 of this appendix.

13. Establish and maintain appropriate property accounts for the DISA, and appoint Boards of Survey, approve reports of survey, relieve personal liability, and drop accountability for DISA property in the authorized property accounts that has been lost, damaged, stolen, destroyed, or otherwise rendered unserviceable, in accordance with applicable laws and regulations.

14. Promulgate the necessary security regulations for the protection of property and places under the jurisdiction of the Director, DISA, pursuant to DoD Directive 5200.8,[7] ''Security of Military Installations and Resources,'' July 29, 1980.

15. Establish and maintain, for the functions assigned, an appropriate publications system for the promulgation of common supply and service regulations, instructions, and reference documents, and changes thereto, pursuant to the policies and procedures prescribed in DoD 5025.1–M,[8] ''DoD Directives System Procedures,'' December 1990.

16. Enter into support and service agreements with the Military Departments, other DoD Components, or other Government Agencies, as required, for the effective performance of DISA functions and responsibilities.

17. Exercise the authority delegated to the Secretary of Defense by the Administrator of General Services on the disposal of surplus personal property.

18. Enter into and administer contracts, directly or through a Military Department, a DoD contract administration services component, or other Federal Agency, as appropriate, for supplies, equipment, and services required to accomplish the mission of the DISA. To the extent that any law or Executive order specifically limits the exercise of such authority to persons at the Secretarial level of a Military Department, such authority shall be exercised by the appropriate Under Secretary or Assistant Secretary of Defense.

19. Award contracts for the lease of commercial C3 capabilities as delegated in DoD Directive 5134.1,[9] ''Under Secretary of Defense (Acquisition),'' August 8, 1989.

20. Lease property under the control of the DISA under terms that will promote the national defense or that will be in the public interest, pursuant to 10 U.S.C. 2667.

The ASD(C3I) may redelegate these authorities, as appropriate, and in writing, except as otherwise provided by law or regulation.

These delegations of authority are effective June 25, 1991.

[7] See footnote 1 to section 3 of this appendix.

[8] See footnote 1 to section 3 of this appendix.

[9] See footnote 1 to section 3 of this appendix.

PART 363—DEFENSE SECURITY ASSISTANCE AGENCY

Sec.
363.1 Purpose.
363.2 Mission.
363.3 Organization and management.
363.4 Responsibilities and functions.
363.5 Authority.
363.6 Relationships.
363.7 Administration.

AUTHORITY: 10 U.S.C. chapter 4.

SOURCE: 43 FR 57875, Dec. 11, 1978, unless otherwise noted.

§363.1 Purpose.

Pursuant to authority vested in the Secretary of Defense under the provisions of title 10, United States Code, this part establishes the Defense Security Assistance Agency (hereafter referred to as ''DSAA'') and defines responsibilities, functions, authorities and relationships of DSAA as outlined below.

§363.2 Mission.

DSAA shall direct, administer, and supervise the execution of security assistance programs. ''Security assistance'' as used in this part, refers to the responsibilities of the Secretary of Defense under the Foreign Assistance Act of 1961, as amended, the Arms Export Control Act, as amended, related statutory authorities and Executive Orders and Directives relating to the administration of Military Assistance, International Military Education and Training, credit financing and Foreign Military Sales, DoD Directives 5132.3, 5100.27, and 5105.20.[1]

§363.3 Organization and management.

(a) DSAA is established as a separate agency of the Department of Defense under the direction, authority and control of the Assistant Secretary of Defense (International Security Affairs) (hereinafter referred to as ''ASD(ISA)'').

(b) DSAA shall consist of a Director and such subordinate organizational

[1] Copies may be obtained, if needed, from the U.S. Naval Publications and Forms Center, 5801 Tabor Avenue, Philadelphia, PA 19120, Attention: Code 301.

elements as are established by the Director within resources authorized by the Secretary of Defense.

(c) The Director, DSAA, may also serve as Deputy Assistant Secretary of Defense (Security Assistance) in the Office of the ASD(ISA).

§ 363.4 Responsibilities and functions.

(a) The *Director, DSAA*, shall:

(1) Organize, direct and manage the DSAA and all resources assigned to the DSAA.

(2) Direct, administer, and supervise, within the policies established by the ASD(ISA), Security Assistance planning and programs. The administration of sales programs may be delegated in whole or in part to the Military Departments, but such administration will be under the direction and supervision of the DSAA.

(3) Supervise formulation of detailed Security Assistance programs in accordance with approved guidance and policies.

(4) Coordinate the formulation and execution of Security Assistance programs with other governmental agencies under the guidance of the ASD(ISA).

(5) Review evaluations of Security Assistance program administration, including responsibility with respect to GAO and other audits.

(6) Conduct international logistics and sales negotiations with foreign countries, as directed by the ASD(ISA) and in coordination with the Under Secretary of Defense for Research and Engineering and the Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics), as appropriate.

(7) Serve as DoD focal point for liaison with U.S. industry with respect to Security Assistance activities.

(8) Manage the credit financing program, including the conclusion of credit agreements and the issuance of guaranties.

(9) Develop and promulgate Security Assistance procedures (MASM) 5105.38–M.[2]

(10) Supervise and perform, as appropriate, accounting and reporting functions for Security Assistance programs.

(11) Develop and operate the data processing system and maintain the worldwide data base required by all levels of management for the Security Assistance program.

(12) Maintain liaison with Congress on Security Assistance legislation and related matters and provide support to the ASD(ISA) for the presentation of the annual Security Assistance program before the Congress.

(13) Provide data support for the annual Security Assistance budget for inclusion in the President's budget.

(14) Keep the Joint Chiefs of Staff and the Commanders of the Unified Commands fully informed of Security Assistance matters.

(15) Direct and supervise organization, functions, and staffing of DoD elements in foreign countries responsible for managing Security Assistance programs.

(16) Perform such other functions as assigned by the ASD(ISA).

(b) The *ASD(ISA)* shall:

(1) Establish DoD Security Assistance policies.

(2) Coordinate the activities of DoD components related to Security Assistance affairs.

(3) Serve as the principal DoD point of contact and spokesman regarding Security Assistance policy, representing the DoD with other governmental agencies with respect to such matters.

(c) The basic responsibilities and functions of other DoD components relating to Security Assistance remain as assigned in DoD directive 5132.3.[3]

§ 363.5 Authority.

The Director, DSAA, is specifically delegated authority to:

(a) Have free and unrestricted access to, and direct communication with, all elements of the Department of Defense and other executive departments and agencies as necessary. all ASD(ISA)

[2] Copies may be obtained, if needed, from the Defense Security Assistance Agency (Comptroller), Room 4B715, Pentagon, Washington, D.C. 20301. Telephone 202–697–2293.

[3] See footnote 1 to § 363.2.

and DSAA Security Assistance directives and communications to the Unified and Specified Commands, the Military Departments, and the Military Assistance Advisory Groups, which have military operational implications, shall be coordinated with the Joint Chiefs of Staff. Conversely, all Joint Chiefs of Staff directives and communications to the Unified and Specified Commands or the Military Departments, which pertain to Security Assistance affairs, shall be coordinated with the ASD(ISA).

(b) Obtain such information, consistent with the policies and criteria of DoD Directive 5000.19,[3] advice, and assistance from other DoD components as may be necessary for the performance of assigned functions and responsibilities.

(c) Exercise the redelegation of authority previously established.

§363.6 Relationships.

(a) In the performance of his functions, the Director, DSAA shall:

(1) Maintain appropriate liaison with other DoD components for the exchange of information on programs in the field of assigned responsibilities.

(2) Make use of established facilities and services in the DoD or other governmental agencies wherever practicable to achieve maximum efficiency and economy.

(3) Conduct activities involving financial management, fiscal matters, accounting, budgeting, statistical reporting, and the international balance of payments, in accordance with policies and procedures established by the Assistant Secretary of Defense (Comptroller).

(b) The Military Department and other DoD components shall provide support, within their respective fields of responsibility to the Director, DSAA, to assist in carrying out assigned responsibilities and functions of DSAA.

§363.7 Administration.

(a) The Director, DSAA, shall be appointed by the Secretary of Defense.

(b) The appointment of other personnel to the Agency will be subject to the approval of the Director, DSAA, and the ASD(ISA).

(c) DSAA will be authorized such personnel, facilities, funds, and other administrative support as the Secretary of Defense deems necessary.

(d) The Military Departments will assign military personnel to DSAA in accordance with approved authorizations and procedures for assignment to joint duty.

PART 364—WASHINGTON HEADQUARTERS SERVICES

Sec.
364.1 Purpose.
364.2 Definitions.
364.3 Mission.
364.4 Organization and management.
364.5 Functions and responsibilities.
364.6 Relationships.
364.7 Authorities.

APPENDIX A TO PART 364—DELEGATIONS OF AUTHORITY

AUTHORITY: 10 U.S.C. 131.

SOURCE: 56 FR 23802, May 24, 1991, unless otherwise noted. Redesignated at 58 FR 39360, July 22, 1993.

§364.1 Purpose.

Pursuant to the authority vested in the Secretary of Defense under title 10, United States Code, this part updates the mission, functions, responsibilities, relationships, and authorities of the WHS.

§364.2 Definitions.

(a) *DoD Components.* The Office of the Secretary of Defense (OSD), the Military Departments, the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Unified and Specified Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, and the DoD Field Activities.

(b) *National Capital Region (NCR).* The geographic area located within the boundaries of the District of Columbia; Montgomery and Prince Georges Counties in the State of Maryland; Arlington, Fairfax, Loudoun, and Prince William Counties and the City of Alexandria in the Commonwealth of Virginia; and all cities and other units of government within the geographic areas of such District, Counties, and City.

(c) *Pentagon Reservation.* That area of land (consisting of approximately 280

acres) and improvements thereon, located in Arlington, Virginia, on which the Pentagon Office Building, Federal Office Building #2, the Pentagon heating and sewage treatment plants, and other related facilities are located, including various areas designated for the parking of vehicles.

§ 364.3 Mission.

The WHS shall provide administrative and operational support to specified activities in the NCR and elsewhere as required.

§ 364.4 Organization and management.

(a) The WHS is established as a Field Activity of the Department of Defense. It shall consist of a Director and such subordinate organizational elements as are established by the Director within resources authorized by the Secretary of Defense.

(b) The Director of Administration and Management, Office of the Secretary of Defense (DA&M, OSD), also shall serve as the Director, WHS.

§ 364.5 Functions and responsibilities.

The Director, Washington Headquarters Services, shall:

(a) Organize, direct, and manage the WHS and all resources assigned to the WHS.

(b) Provide administrative support to the OSD and those Defense Agencies, DoD Field Activities, and specified activities that do not have an internal administrative support capability. This support shall include all or part of the following:

(1) Budget and accounting.

(2) Civilian and military personnel management.

(3) Office services.

(4) Personnel and information security.

(5) Correspondence, cables, Directives, and records management.

(6) Travel.

(7) Other miscellaneous administrative support, as required.

(c) Administer information and data systems in support of the OSD decision and policymaking processes. This involves management information collection and reports preparation in areas including, but not limited to, procurement, logistics, manpower, and economics.

(d) Manage the DoD reports and forms programs.

(e) Manage the information technology support program for the OSD and other assigned DoD activities. Develop information management strategies and programs; assist organizational components in developing program proposals, plans, and budgets for automated information systems (AIS) and in acquiring AIS equipment; and provide or arrange for AIS technical assistance and maintenance support.

(f) Develop records management policy and provide appropriate guidance to DoD Components.

(g) Manage the Pentagon Reservation; DoD-occupied, General Services Administration-controlled administrative space in the NCR; and associated support services. This shall include responsibility for:

(1) Real property and building management.

(2) Administrative space management and assignment.

(3) Law enforcement and physical security.

(4) Maintenance, repair, alteration, and renovation.

(5) Design and construction on DoD-controlled property.

(6) Graphics, concessions, custodial care, and other support services.

(7) Contracting for the above, as required.

(8) Manage activities in support of the responsibilities of the Secretary of Defense for the Federal Voting Assistance Program.

§ 364.6 Relationships.

For the performance of assigned functions, the Director, WHS, shall:

(a) Coordinate and exchange information and advice with elements of the OSD and other DoD Components having collateral or related responsibilities.

(b) Make use of established facilities and services in the Department of Defense and other Government Agencies, whenever practical, to avoid duplication and achieve maximum efficiency and economy.

(c) Consult and coordinate with other governmental and nongovernmental

agencies on matters related to the WHS mission.

§ 364.7 Authorities.

The Director, WHS, or designee, specifically is delegated authority to:

(a) Obtain such information, consistent with the policies and criteria of DoD Directive 7750.5[1] advice, and assistance from DoD Components, as necessary.

(b) Issue DoD Instructions, DoD publications, and one-time directive-type memoranda, consistent with DoD 5025.1–M[2] that implement approved policies in the functions assigned to the Director, WHS. Instructions to the Military Departments shall be issued through the Secretaries of those Departments, or their designees. Instructions to the Unified and Specified Commands shall be issued through the Chairman of the Joint Chiefs of Staff.

(c) Communicate directly with heads of DoD Components and other Executive Departments and Agencies, as necessary, in carrying out assigned responsibilities and functions. Communications to the Commanders in Chief of the Unified and Specified Commands shall be coordinated with the Chairman of the Joint Chiefs of Staff.

(d) Exercise the delegations of authority contained in appendix A to this part.

[56 FR 23802, May 24, 1991. Redesignated and amended at 58 FR 39360, July 22, 1993]

APPENDIX A TO PART 364—DELEGATIONS OF AUTHORITY

Pursuant to the authority vested in the Secretary of Defense, and subject to his direction, authority, and control, and in accordance with DoD policies, Directives, and Instructions, the Director, WHS, or the person properly designated to act for him or her, is hereby delegated authority with respect to the WHS and activities receiving administrative support from the WHS to:

1. Exercise the power vested in the Secretary of Defense by sections 302 and 3101 and chapters 41 and 51 of 5 U.S.C. on the employment, direction, and general administration of civilian personnel.

[1] Copies may be obtained, at cost, from the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, VA 22161.

[2] See footnote 1 to § 364.7(a).

2. Fix rates of pay for wage-rate employees exempted from the Classification Act of 1949 by 5 U.S.C. 5102 on the basis of rates established under the Federal Wage System. In fixing such rates, the Director, WHS, shall follow the wage schedule established by the DoD Wage Fixing Authority.

3. Establish advisory committees and employ temporary or intermittent experts or consultants, as approved by the Secretary of Defense, for the performance of WHS functions consistent with 10 U.S.C. 173; 5 U.S.C. 3109(b); DoD Directive 5105.4,[1] ''DoD Federal Advisory Committee Management Program,'' September 5, 1989; and the agreement between the Department of Defense and the Office of Personnel Management (OPM) on employment of experts and consultants, June 21, 1977.

4. Administer oaths of office incident to entrance into the Executive Branch of the Federal Government or any other oath required by law in connection with employment therein, in accordance with 5 U.S.C. 2903(b).

5. Establish an Incentive Awards Board and pay cash awards to and incur necessary expenses for the honorary recognition of civilian employees of the Government for suggestions, inventions, superior accomplishments, or other personal efforts, including special acts of services, in accordance with 5 U.S.C. 4502, 4503, and 4505 and applicable OPM regulations.

6. In accordance with 5 U.S.C. 7532; Executive Orders 10450, 12333, and 12356; and DoD Directive 5200.2,[2] ''DoD Personnel Security Program,'' December 20, 1979, as appropriate:

a. Designate positions as ''sensitive.''

b. Authorize, in case of an emergency, the appointment to a sensitive position, for a limited period of time, of a person for whom a full field investigation or other appropriate investigation, including the National Agency Check, has not been completed.

c. Authorize the suspension of, but not terminate the services of, an employee in the interest of national security.

d. Initiate investigations, issue personnel security clearances and, if necessary in the interest of national security, suspend, revoke, or deny a security clearance for personnel assigned, detailed to, or employed by DoD Components for which the Director, WHS, has been delegated responsibility or has consented by written agreement to provide personnel security support. Any action to deny or revoke a security clearance shall

[1] Copies may be obtained, at cost, from the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, VA 22161.

[2] See footnote 1 to § 3 of this appendix.

be taken in accordance with procedures prescribed in DoD 5200.2–R,[3] ''DoD Personnel Security Program,'' January 1987.

7. Act as agent for the collection and payment of employment taxes imposed by appropriate statutes.

8. Authorize and approve overtime work for civilian officers and employees in accordance with subchapter V, chapter 55 of 5 U.S.C., and applicable OPM regulations.

9. Authorize and approve:

a. Temporary duty travel for military personnel in accordance with Volume I, Joint Federal Travel Regulations.

b. Travel for civilian officers and employees in accordance with Volume II, Joint Travel Regulations.

c. Invitational travel to non-DoD employees whose consultative, advisory, or other highly specialized technical services are required in a capacity that is directly related to, or in connection with, WHS activities, in accordance with Volume II, Joint Travel Regulations.

10. Approve the expenditures of funds available for travel by military personnel for expenses incident to attendance at meetings of technical, scientific, professional, or other similar organizations in such instances when the approval of the Secretary of Defense, or his designee, is required by law (37 U.S.C. 412, 5 U.S.C. 4110 and 4111).

11. Develop, establish, and maintain an active and continuing Records Management Program, pursuant to section 506(b) of the Federal Records Act of 1950 (44 U.S.C. 3102).

12. Establish and use imprest funds for making small purchases of material and services, other than personal, when it is determined to be more advantageous and consistent with the best interest of the Government, in accordance with DoD Directive 7360.10,[4] ''Disbursing Policies,'' January 17, 1989.

13. Authorize the publication of advertisement, notices, or proposals in newspapers, magazines, or other public periodicals, consistent with 44 U.S.C. 3702.

14. Establish and maintain appropriate property accounts and appoint Boards of Survey, approve reports of survey, relieve personal liability, and drop accountability for property contained in the authorized property accounts that has been lost, damaged, stolen, destroyed, or otherwise rendered unserviceable, in accordance with applicable laws and regulations.

15. Promulgate the necessary security regulations for the protection of property and places under the jurisdiction of this Directive, pursuant to DoD Directive 5200.8,[5] ''Security of Military Installations and Resources,'' July 29, 1980.

16. Establish and maintain, for the Department of Defense, an appropriate publications system for the promulgation of Directives, Instructions, publications, and reference documents, and changes thereto, pursuant to the policies and procedures prescribed in DoD 5025.1–M, ''DoD Directives System Procedures,'' December 1990.

17. Establish and maintain, for the functions assigned, an appropriate publications system for the promulgation of common supply and service regulations, Instructions, and reference documents, and changes thereto, pursuant to the policies and procedures prescribed in DoD 5025.1–M, ''DoD Directives System Procedures,'' December 1990.

18. Enter into support and service agreements with the Military Departments, other DoD Components, or other Government Agencies, as required for the effective performance of assigned responsibilities and functions.

19. Enter into and administer contracts, directly or through a Military Department, a DoD contract administration services component, or other Government Department or Agency, as appropriate, for supplies, equipment, and services required to accomplish assigned responsibilities and functions. To the extent that any law or Executive order specifically limits the exercise of such authority to persons at the Secretarial level of a Military Department, such authority shall be exercised by the appropriate Under Secretary or Assistant Secretary of Defense.

20. Approve contractual instruments for commercial-type concessions at the seat of Government, and maintain general supervision over commercial-type concessions operated by or through the Department of Defense at the seat of Government, in accordance with DoD Directive 5120.18,[6] ''DoD Concessions Committee,'' April 8, 1980.

21. Act as custodian of the seal of the Department of Defense and attest to the authenticity of official records of the Department of Defense under said seal (10 U.S.C. 132).

22. Exercise the authority vested in the Secretary of Defense by 10 U.S.C. 2674 on the jurisdiction, custody, and control over, and responsibility for, the operation, maintenance, and management of the Pentagon Reservation.

a. Prescribe such rules and regulations as appropriate to ensure the safe, efficient, and secure operation of the Pentagon Reservation, including rules and regulations necessary to govern the operation and parking of motor vehicles on the Pentagon Reservation.

[3] See footnote 1 to §3 of this appendix.

[4] See footnote 1 to §3 of this appendix.

[5] See footnote 1 to §3 of this appendix.

[6] See footnote to §3 of this appendix.

b. Establish rates and collect charges for space, services, protection, maintenance, construction, repairs, alterations, or facilities provided at the Pentagon Reservation.

c. Authorize expenditures from the Pentagon Reservation Maintenance Revolving Fund for real property management, operations, protection, design and construction, repair, alteration, and related activities for the Pentagon Reservation.

The Director, WHS, may redelegate these authorities, as appropriate, and in writing, except as otherwise specifically indicated above or as otherwise provided by law or regulation.

These delegations of authority are effective May 6, 1991.

PART 365—OFFICE OF ECONOMIC ADJUSTMENT

Sec.
365.1 Purpose.
365.2 Mission.
365.3 Organization and management.
365.4 Responsibilities and functions.
365.5 Relationships.
365.6 Authority.
365.7 Administration.
365.8 Delegation of authorities.

AUTHORITY: 10 U.S.C. chapter 4.

SOURCE: 44 FR 4670, Jan. 23, 1979, unless otherwise noted.

§365.1 Purpose.

(a) Pursuant to the authority vested in the Secretary of Defense under the provisions of title 10 U.S. Code, this part establishes the Office of Economic Adjustment (hereafter referred to as the ''OEA'') with responsibilities, functions, authorities, and relationships as stated below.

(b) ''Economic Adjustment'' as used in this part refers to responsibilities of the Secretary of Defense under Executive Order 12049, ''Defense Economic Adjustment Programs,'' March 27, 1978, and related responsibilities stated in DoD Directive 5410.12,[1] ''Economic Adjustment Assistance to Defense-Impacted Communities,'' April 21, 1973.

§365.2 Mission.

The OEA shall:

(a) Plan, direct, coordinate, and manage economic adjustment programs to alleviate serious social and economic impacts that may result from major changes in DoD activities.

(b) In cooperation with DoD Components, identify proposed changes that could result in adverse local impacts, and encourage local officials to initiate early economic adjustment planning on a contingency basis.

(c) Upon request, and in coordination with appropriate local, State and Federal agencies, assist community officials to develop and implement feasible adjustment plans that will alleviate the impact of DoD actions.

(d) Support the Secretary of Defense as chairperson of the Economic Adjustment Committee (EAC), Executive Order 12049, and serve as the permanent staff for the community assistance activities of the EAC. In this capacity, arrange meetings, conduct studies, develop recommendations, prepare reports, and initiate other appropriate staff actions.

§365.3 Organization and management.

(a) The OEA is established as a field activity of the Office of the Secretary of Defense, under the authority, direction and control of the Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics) (hereafter referred to as the ''ASD(MRA&L))''. It shall consist of a Director and subordinate organizational elements established by the Director within resources authorized by the Secretary of Defense.

(b) The Director, OEA, is also designated as the Assistant to the ASD(MRA&L) for Economic Adjustment, and as Executive Director of the Economic Adjustment Committee.

§365.4 Responsibilities and functions.

(a) The Director, OEA, shall:

(1) Serve as the principal staff adviser to the ASD(MRA&L) on economic adjustment program matters.

(2) Organize, direct, and manage the OEA and all resources assigned to the OEA.

(3) Design, establish, and manage a Defense Economic Adjustment Program to achieve the objectives and implement the provisions of Executive Order 12049 and DoD Directive 5410.12,

[1] Copies may be obtained, if needed, from the U.S. Naval Publications and Forms Center, 5801 Tabor Avenue, Philadelphia, Pa. 19120, Attention Code 301.

''Economic Adjustment Assistance to Defense-Impacted Communities,'' April 21, 1973.

(4) Monitor program change activities of DoD Components and, as required, assist in the evaluation of possible impacts and the identification of adjustment actions that could alleviate such impacts.

(5) Develop and recommend strategies and action plans to lessen serious local impacts of DoD realinements, e.g., base closures, conversion of in-house activities to contract, major personnel reductions, and procurement cutbacks.

(6) Provide information and advice regarding the Economic Adjustment Program and the resources available to meet community economic adjustment needs.

(7) Plan, organize, coordinate, and administer economic adjustment assistance projects for communities, areas, and States adversely affected by DoD realinement actions.

(8) Assist local communities, areas, or States in expanding public service facilities to meet requirements generated by major expansions or the establishment of new DoD installations.

(9) Provide technical advice and assistance to Defense-dependent communities in efforts to diversify their economic base, reduce their vulnerability to change, and minimize the possible impact of future cutbacks.

(10) Evaluate DoD Economic Adjustment Program effectiveness.

(11) Develop, propose, and implement program improvements.

(12) Perform such other economic adjustment functions as may be assigned by the ASD(MRA&L).

(b) The ASD(MRA&L) shall:

(1) Recommend to the Secretary of Defense policies for the administration of economic adjustment programs.

(2) Provide policy guidance and management direction to the Director, OEA.

§ 365.5 Relationships.

(a) In the performance of assigned functions, the Director, OEA, shall:

(1) Establish and maintain effective liaison with DoD Components (and, after appropriate notification, with subordinate commands and installations, as required) for the timely exchange of information, and the coordination of realinements and economic adjustment plans and actions.

(2) Establish and maintain effective liaison with Federal domestic agency members of the EAC at headquarters and regional levels for timely exchange of information and the development, coordination, and support of economic adjustment assistance plans and actions.

(3) Use established facilities and services in the DoD and other governmental agencies whenever practical to achieve maximum efficiency and economy.

(b) Heads of DoD Components shall provide timely information and technical support to the Director, OEA, on matters within their respective fields of responsibilities and as may be necessary to carry out effectively the assigned responsibilities and functions of OEA.

§ 365.6 Authority.

The Director, OEA, is specifically authorized to:

(a) Obtain such information, advice, and assistance from other DoD Components as considered necessary, consistent with the policies and criteria of DoD Directive 5000.19, ''Policies for the Management and Control of Information Requirements,'' March 12, 1976.

(b) Communicate directly with appropriate personnel in the Military Departments and other DoD Components on matters related to OEA responsibilities and functions.

(c) Exercise the administrative authorities contained in § 365.8 of this part.

§ 365.7 Administration.

(a) The Director, OEA, shall be designated by the ASD(MRA&L).

(b) The OEA shall be authorized such personnel, facilities, funds, and other administrative support as the Secretary of Defense considers necessary.

(c) The Secretaries of Military Departments shall assign military personnel to the OEA within approved authorizations, and in accordance with established procedures for assignment to joint duty.

(d) Administrative support required for the OEA will be provided, through support and service agreements, by other DoD Components.

§365.8 Delegation of authorities.

Pursuant to the authority vested in the Secretary of Defense, and subject to his/her direction, authority and control, and in accordance with DoD policies, directives and instructions, the Director, OEA, or, in the absence of the Director, the person acting for him/her, is hereby delegated authority, as required in the administration and operation of OEA, to:

(a) Perform the following functions in accordance with the provisions of 5 U.S.C. 7532 (1976); Executive Order 10450, as amended, 3 CFR part 936 (1949–1953 Compilation), reprinted at 5 U.S.C. 7311 (1976); and the DoD Directive 5210.7, ''Department of Defense Civilian Applicant and Employee Security Program,'' September 2, 1966:

(1) Designate any position in OEA as a ''sensitive'' position;

(2) Authorize, in case of an emergency, the appointment of a person to a sensitive position in OEA for a limited period of time for whom a full field investigation or other appropriate investigation, including the National Security Check, has not been completed; and

(3) Authorize the suspension, but not including termination of the services of an employee in the interest of national security in positions within OEA.

(b) Authorize and approve overtime work for OEA civilian employees in accordance with the provisions of the Federal Personnel Manual Supplement 990–1, §550.111 (5 CFR 550.111 (1978)).

(c) Develop, establish and maintain an active and continuing Records Management Program, pursuant to 44 U.S.C.A. 3102 (Supp. 1978).

(d) Authorize the publication of advertisements, notices, or proposals in public periodicals, as required for the effective administration of OEA pursuant to 44 U.S.C. 3702 (1970).

(e) Establish and maintain, for the functions assigned, an appropriate publications system for the promulgation of regulations, instructions and reference documents, and changes thereto, pursuant to the policies and procedures prescribed in DoD Directive 5205.1, ''Department of Defense Directives System,'' November 18, 1977.

(f) In coordination with the DASD (Administration), enter into support and services agreements with the Military Departments, other DoD Components or other Government agencies, as required for the effective and efficient performance of responsibilities and functions assigned to OEA.

(g) Enter into and administer contracts through the DASD (Administration) or with his/her approval, directly or through a Military Department, a DoD contract administration services component, or other Government department or agency, as appropriate, for supplies, equipment and services required to accomplish the mission of OEA. To the extent that any law or executive order specifically limits the exercise of such authority to persons at the Secretarial level of a Military Department, such authority will be exercised by the appropriate Under Secretary or Assistant Secretary of Defense.

The Director, OEA, may redelegate these authorities, as appropriate and in writing, except as otherwise specifically indicated above or as otherwise provided by law or regulation.

PART 366—ASSISTANT SECRETARY OF DEFENSE (PROGRAM ANALYSIS AND EVALUATION)

Sec.
366.1 Purpose.
366.2 Definition.
366.3 Responsibilities.
366.4 Functions.
366.5 Relationships.
366.6 Authorities.

AUTHORITY: 10 U.S.C. 136.

SOURCE: 54 FR 7031, Feb. 16, 1989, unless otherwise noted.

§366.1 Purpose.

This part is revised pursuant to the authority vested in the Secretary of Defense under 10 U.S.C.:

(a) Designates one of the positions of Assistant Secretary of Defense as the Assistant Secretary of Defense (Program Analysis and Evaluation) (ASD(PA&E)).

(b) Assigns responsibilities, functions, relationships, and authorities, as prescribed herein, to the ASD(PA&E).

§ 366.2 Definition.

DoD Components. The Office of the Secretary of Defense (OSD), the Military Departments, the Joint Chiefs of Staff (JCS), the Joint Staff, the Unified and Specified Commands, the Defense Agencies, and the DoD Field Activities.

§ 366.3 Responsibilities.

The Assistant Secretary of Defense (Program Analysis and Evaluation) (ASD(PA&E)), as the principal staff assistant to the Secretary of Defense for DoD program analysis and evaluation, shall:

(a) Provide advice, make recommendations, and participate in the development of policies and the preparation of planning, fiscal, and materiel support guidance upon which DoD program projections are based.

(b) Perform analyses and evaluations of plans, programs, and budget submissions in relation to projected threats, allied contributions, estimated costs, resource constraints, and U.S. defense objectives and priorities.

(c) Identify issues and evaluate alternative programs.

(d) Initiate programs, actions, and taskings to ensure adherence to DoD policies and national security objectives, and ensure that programs are designed to accommodate operational requirements and promote the readiness and efficiency of the U.S. Armed Forces.

(e) Review, analyze, and evaluate programs, including classified programs, for carrying out approved policies and standards.

(f) Ensure that the costs of DoD programs, including classified programs, are presented accurately and completely.

(g) Assess the effects of DoD spending on the U.S. economy, and evaluate alternative policies to ensure that the DoD program can be implemented efficiently.

(h) Provide leadership in developing and promoting improved analytic tools and methods for analyzing national security planning and the allocation of resources.

(i) Serve on boards, committees, and other groups pertaining to the ASD(PA&E)'s functional areas, and represent the Secretary of Defense on PA&E matters outside the Department of Defense.

(j) Perform such other duties as the Secretary of Defense may assign.

§ 366.4 Functions.

In executing assigned responsibilities, the ASD(PA&E) shall:

(a) Carry out the responsibilities described in § 366.3 for the following functional areas:

(1) General purpose force structure, both active and reserve.

(2) Strategic and theater nuclear force structure.

(3) Mobility force structure and prepositioning plans.

(4) Force readiness and capabilities.

(5) Weapon systems and major items of material.

(6) Implications for manpower resources of specific force structure plans.

(7) Support systems.

(8) Contingency plans.

(9) Materiel support programs and war reserve stocks.

(10) Deployment plans and overseas basing requirements.

(11) Mobilization plans.

(12) Effects of the DoD program on the economy and the industrial base.

(13) Security assistance programs.

(14) Allied and foreign military requirements and capabilities.

(15) Nuclear warhead requirements.

(16) Such other areas as the Secretary of Defense may from time to time prescribe.

(b) In coordination with the Under Secretary of Defense (Acquisition), perform critical reviews of requirements, performance, and life-cycle costs of current and proposed weapon systems, including reviews of Cost and Operational Effectiveness Analyses (COEA) submitted in support of Defense Acquisition Board milestone decisions. Provide advance guidance to the Military Departments on issues and techniques to be used in weapon system COEA.

(c) Provide leadership and support to the Cost Analysis Improvement Group

in accordance with DoD Directive 5000.4.[1]

(d) Provide support to the Planning, Programming, and Budgeting System, especially the program review and execution review phases.

§366.5 Relationships.

(a) In the performance of assigned functions, the ASD(PA&E) shall:

(1) Coordinate and exchange information with other DoD organizations having collateral or related functions.

(2) Use existing facilities and services of the Department of Defense or other Federal Agencies to avoid duplication and achieve maximum efficiency and economy.

(b) Heads of DoD Components shall coordinate with the ASD(PA&E) on all matters related to the functions in §366.4.

§366.6 Authorities.

The ASD(PA&E) is hereby delegated authority to:

(a) Issue instructions, publications, and one-time directive-type memoranda, consistent with DoD 5025.1–M that implement policies approved by the Secretary of Defense in the functions assigned to the ASD(PA&E). Instructions to the Military Departments shall be issued through their Secretaries or designees. Instructions to Unified and Specified Commands shall be issued through the Chairman, Joint Chiefs of Staff (CJCS).

(b) Obtain such reports, information, advice, and assistance consistent with the policies and criteria of DoD Directive 7750.5,[2] as necessary.

(c) Communicate directly with heads of DoD Components. Communications to the Commanders of the Unified and Specified Commands shall be coordianted with the CJCS.

(d) Establish arrangements for DoD participation in those nondefense governmental programs for which the ASD(PA&E) has been assigned primary cognizance.

(e) Communicate with other Government Agencies, represenatives of the legislative branch, and members of the public, as appropriate, in carrying out assigned functions.

PART 367—ASSISTANT SECRETARY OF DEFENSE FOR HEALTH AFFAIRS

Sec.
367.1 Purpose.
367.2 Applicability.
367.3 Responsibilities and functions.
367.4 Relationships.
367.5 Authorities.

AUTHORITY: 10 U.S.C. 113 and 138.

SOURCE: 59 FR 29952, June 10, 1994, unless otherwise noted.

§367.1 Purpose.

Pursuant to the authority vested in the Secretary of Defense by 10 U.S.C. 113 and 138, this part updates the responsibilities, functions, relationships, and authorities of the ASD(HA), as prescribed herein.

§367.2 Applicability.

This part applies to the Office of the Secretary of Defense (OSD), the Military Departments, the Chairman of the Joint Chiefs of Staff, the Unified Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, and the DoD Field Activities (hereafter referred to collectively as ''the DoD Components'').

§367.3 Responsibilities and functions.

The Assistant Secretary of Defense for Health Affairs, as the principal staff assistant and advisor to the Under Secretary of Defense for Personnel and Readiness (USD(P&R)) and the Secretary and Deputy Secretary of Defense for all DoD health policies, programs, and activities, shall effectively execute the Department's medical mission, which is to provide, and to maintain readiness to provide, medical services and support to members of the Armed Forces during military operations, and to provide medical services and support to members of the Armed Forces, their dependents, and others entitled to DoD medical care.

[1] Copies may be obtained, if needed, from the U.S. Naval Publications and Forms Center, Attn: Code 1062, 5801 Tabor Avenue, Philadelphia, PA 19120.

[2] See footnote 1 to §366.4(c).

(a) In carrying out these responsibilities, the ASD(HA) shall exercise authority, direction, and control over the medical personnel, facilities, programs, funding, and other resources within the Department of Defense, including, but not limited to:

(1) Establishing policies, procedures, and standards that shall govern DoD medical programs.

(2) Serving as program manager for all DoD health and medical resources. Preparing and submitting in the Department's planning, programming, and budgeting system (PPBS) a unified medical program and budget to provide resources for all medical activities within the Department of Defense. Consistent with applicable law, all funding for the DoD medical program, including operation and maintenance, procurement, and the Civilian Health and Medical Program of the Uniformed Services, but excluding funds for active and reserve medical military personnel, shall be accounted for in a single defense medical appropriations account. Funds for medical facility military construction shall be in a separate, single appropriations account.

(3) Presenting and justifying the unified medical program and budget throughout the PPBS process, including representations before the Congress.

(4) Co-chairing with the Director, Defense Research and Engineering, the Armed Services Biomedical Research Evaluation and Management Committee, which facilities consideration of DoD biomedical research.

(5) Performing such other functions as the USD(P&R) and the Secretary of Defense may prescribe.

(b) The ASD(HA) may not direct a change in the structure of the chain of command within a Military Department with respect to medical personnel and may not direct a change in the structure of the chain of command with respect to medical personnel assigned to that command.

§ 367.4 Relationships.

(a) In the performance of assigned responsibilities and functions, the ASD(HA) shall serve under the authority, direction, and control of the USD(P&R) and shall:

(1) Report directly to the USD(P&R).

(2) Exercise authority, direction, and control over:

(i) The Director, Office of Civilian Health and Medical Program of the Uniformed Services.

(ii) The Director, Defense Medical Programs Activity.

(iii) The Director, Armed Forces Institute of Pathology.

(iv) The President, Uniformed Services University of the Health Sciences (USUHS), pursuant to the authority vested in the Secretary of Defense by 10 U.S.C. chapter 104, except that the authority to appoint the President of the USUHS is reserved to the Secretary of Defense.

(v) Such other subordinate officials as may be assigned.

(3) Consult, as appropriate, with the Comptroller of the Department of Defense (C, DoD) and the Director, Program Analysis and Evaluation, to ensure that medical planning, programming, and budgeting activities are integrated with the DoD PPBS. The C, DoD, shall allocate and reallocate the funds in the Defense Health Program account and the medical facility military construction account among the DoD Components in accordance with ASD(HA) instructions, as coordinated with the USD(P&R), and applicable law.

(4) Obtain through the Chairman of the Joint Chiefs of Staff, submissions of the operational and other needs of the Commanders of the Unified Combatant Commands, and obtain submissions from the Secretaries of the Military Departments of their proposed elements of the medical unified program and budget, and integrate those submissions as appropriate.

(5) Coordinate and exchange information with other OSD officials and the Heads of DoD Components having collateral or related functions.

(6) Use existing facilities and services of the Department of Defense and other Federal and non-Federal Agencies, whenever practicable, to achieve maximum efficiency and economy.

(b) Other OSD officials and the Heads of the DoD Components shall coordinate with the ASD(HA) on all matters related to the responsibilities and functions in § 367.3.

§367.5 Authorities.

The ASD(HA) is hereby delegated authority to:

(a) Issue DoD Instructions, DoD publications, and one-time directive-type memoranda, consistent with DoD 5025.1–M[1], that implement policy approved by the Secretary of Defense in assigned fields of responsibility. Instructions to the Military Departments shall be issued through the Secretaries of those Departments. Instructions to Unified Combatant Commands shall be communicated through the Chairman of the Joint Chiefs of Staff.

(b) Obtain reports, information, advice, and assistance, consistent with DoD Directive 8910.1[2] as necessary to carry out assigned functions.

(c) Communicate directly with the Heads of the DoD Components. Communications to the Commanders of the Unified Combatant Commands shall be coordinated through the Chairman of the Joint Chiefs of Staff.

(d) Make determinations on the uniform implementation of laws on separation from the Military Departments due to physical disability as prescribed in DoD Directive 1332.18[3].

(e) Develop, issue, and maintain regulations, with the coordination of the Military Departments, as necessary and appropriate to fulfill the Secretary of Defense's responsibility to administer 10 U.S.C. chapter 55.

(f) Establish arrangements for DoD participation in nondefense governmental programs for which the ASD(HA) has been assigned primary cognizance.

(g) Communicate with other Government officials, representatives of the legislative branch, members of the public, and representatives of foreign governments, as appropriate, in carrying out assigned functions.

[1] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

[2] See footnote 1 to §367.5(a).

[3] See footnote 1 to §367.5(a).

PART 367a—UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES (USUHS)

Sec.
367a.1 Purpose.
367a.2 Definitions.
367a.3 Mission and scope.
367a.4 Policy.
367a.5 Organization.
367a.6 Responsibilities and functions.
367a.7 Relationships.
367a.8 Authorities.

APPENDIX A TO PART 367A—DELEGATIONS OF AUTHORITY

AUTHORITY: 10 U.S.C. 136.

SOURCE: 56 FR 21079, May 7, 1991, unless otherwise noted.

§367a.1 Purpose.

This part updates the mission, responsibilities, functions, and authorities of the USUHS and provides for its governance pursuant to chapter 104, section 2112, et seq. of title 10, United States Code and section 8091 of Public Law 101–511, ''Department of Defense Appropriations Act, 1991,'' November 5, 1990.

§367a.2 Definitions.

(a) *Academic Affairs.* Faculty appointments, promotions and organization, awarding of degrees, curriculum design and implementation, academic requirements for admission and graduation, and related matters vital to the academic well-being of the USUHS.

(b) *DoD Components.* The Office of the Secretary of Defense (OSD), the Military Departments, the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Unified and Specified Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, and the DoD Field Activities.

(c) *Uniformed Services.* The Army, Navy, Air Force, Marine Corps, Coast Guard, Commissioned Corps of the U.S. Public Health Service, and the Commissioned Corps of the National Oceanic and Atmospheric Administration.

§ 367a.3 Mission and scope.

The mission of the USUHS is to educate and train competent medical personnel qualified to serve the needs of the Uniformed Services of the United States through providing the highest quality education programs in the health sciences. Within that mission, the University shall place high priority on educating and training personnel to meet the combat and peacetime medical needs of the armed forces. The University is authorized to grant appropriate advanced academic degrees; establish postdoctoral and postgraduate programs, and technological institutes; conduct medical readiness training and continuing education for uniformed members of the health professions; and prepare individuals for careers in the health professions in the Uniformed Services.

§ 367a.4 Policy.

Consistent with the performance of the Department's mission and with established practices covering academic independence and integrity in the fields of medical and health sciences education, the Department of Defense recognizes the University's Board of Regents' unique role in advising the Secretary of Defense. In particular, consistent with applicable law and accomplishment of the Department's mission, the Assistant Secretary of Defense (Health Affairs) (ASD(HA)) will be guided by the advice of the USUHS Board of Regents on academic affairs.

§ 367a.5 Organization.

The USUHS shall consist of:

(a) A Board of Regents, which shall be established and operated in accordance with the Federal Advisory Committee Act and shall consist of members appointed as provided by section 2113(a) of chapter 104, section 2112, et seq. of title 10, United States Code.

(b) A President of the USUHS, who shall be the chief executive officer of the University, and who also is the Dean of the University described in section 2113(a) of chapter 104, section 2112, et seq. of title 10, United States Code, and who shall report to the ASD(HA).

(c) A Dean of the F. Edward Hebert School of Medicine, who shall function as the chief academic officer of the F. Edward Hebert School of Medicine and report to the President of the USUHS.

(d) Other deans, academic officers, faculty members and administrative officials, staffs, and other subordinate organizations as may be required for the accomplishment of the University's mission.

(e) Students selected under procedures prescribed in accordance with section 2113(a) of chapter 104, section 2112, et seq. of title 10, United States Code and graduate students.

§ 367a.6 Responsibilities and functions.

(a) The Assistant Secretary of Defense (Health Affairs) shall exercise the authorities over the USUHS vested in the Secretary of Defense by chapter 104, section 2112, et seq. of 10 U.S.C. and section 8091 of Public Law 101–511, except that the authority to appoint the President of the USUHS is reserved to the Secretary of Defense. In this capacity, the ASD(HA) shall:

(1) Ensure effective operation of the University.

(2) In matters of academic affairs, ensure that the advice of the Board of Regents is given due regard in accordance with the policy set forth in § 367a.4.

(3) Make arrangements with the Secretaries of the Military Departments and the heads of other DoD Components to provide for support of the USUHS as may be necessary to implement this part.

(b) The *Board of Regents* shall participate in the governance of the USUHS by advising the Secretary of Defense, through the ASD(HA), on academic affairs and administration and management of the USUHS.

(c) *The President of the Uniformed Services University of the Health Sciences* shall:

(1) Ensure that educational programs leading to a Doctor of Medicine or other advanced degrees in the health professions meet the standards of appropriate and recognized, accrediting, licensing, and certifying agencies.

(2) Carry out those responsibilities and functions about the supervision and management of University programs, activities, personnel, and resources as the ASD(HA) prescribes.

(d) The *Dean of the F. Edward Hebert School of Medicine* shall develop and administer policies and procedures on the academic affairs of the F. Edward Hebert School of Medicine.

§ 367a.7 Relationships.

(a) In carrying out the responsibilities and functions of chief executive officer of the USUHS, the President of the USUHS shall:

(1) Obtain advice from the Board of Regents as necessary to assist the President in performing the President's duties.

(2) Coordinate and exchange information and advice with elements of the OSD and other DoD Components having collateral or related responsibilities.

(3) Make use of established facilities and services in the Department of Defense and other Government Agencies, whenever practical, to avoid duplication and achieve maximum efficiency and economy.

(4) Consult and coordinate with other governmental and nongovernmental agencies on matters related to the mission and programs of the USUHS.

(b) The Heads of the DoD Components shall coordinate with the ASD(HA) on all matters relating to the mission and programs of the USUHS.

§ 367a.8 Authorities.

The ASD(HA) shall exercise the delegations of administrative authority contained in appendix A to this part.

APPENDIX A TO PART 367A—DELEGATIONS OF AUTHORITY

Pursuant to the authority vested in the Secretary of Defense, and subject to the direction, authority, and control of the Secretary of Defense and in accordance with DoD policies, Directives, and Instructions, the ASD(HA), or in the absence of the ASD(HA), the person acting for the ASD(HA), is hereby delegated authority as required in the administration and operation of the USUHS to:

1. Obtain such information, consistent with the policies and criteria of DoD Directive 7750.5,[1] advice, and assistance from the DoD Components, as necessary, to carry out assigned responsibilities and functions.

2. Communicate directly with appropriate DoD Component personnel on matters related to the mission and programs of the USUHS.

3. Appoint civilian members of the faculty and staff under salary schedules and grant retirement and other related benefits prescribed by the Secretary of Defense so as to place the employees of the USUHS on a comparable basis with the employees of fully accredited schools of the health professions within the vicinity of the District of Columbia as provided by law.

4. Exercise the powers vested in the Secretary of Defense by 5 U.S.C. 301, 302(b), and 3101 regarding the employment, direction, and general administration of USUHS civilian personnel.

5. Fix rates of pay for wage-rate employees exempted from the Classification Act of 1949 by 5 U.S.C. 5102 on the basis of rates established under the Coordinated Federal Wage System. In fixing such rates, the ASD(HA) shall follow the wage schedule established by the DoD Wage Fixing Authority.

6. Establish advisory committees and employ part-time advisors, as approved by the Secretary of Defense, for the performance of USUHS functions consistent with the 10 U.S.C. 173; 5 U.S.C. 3109(b); DoD Directive 5105.4,[2] ''DoD Federal Advisory Committee Management Program,'' September 5, 1989; and the agreement between the Department of Defense and the Office of Personnel Management (OPM) regarding employment of experts and consultants, June 21, 1977.

7. Administer oaths of office to those entering the Executive branch of the Federal Government or any other oath required by law in connection with employment therein, in accordance with 5 U.S.C. 2903, and designate in writing, as may be necessary, officers and employees of the USUHS to perform this function.

8. Establish a USUHS Incentive Awards Board and pay cash awards to, and incur necessary expenses for the honorary recognition of, civilian employees of the Government whose suggestions, inventions, superior accomplishments, or other personal efforts, including special acts or services, benefit or affect the USUHS or its subordinate activities, in accordance with 5 U.S.C. 4503 and applicable OPM regulations.

9. In accordance with 5 U.S.C. 7532; Executive Orders 10450, 12333, and 12356; and DoD Directive 5200.2,[3] ''DoD Personnel Security Program,'' December 20, 1979; as appropriate:

[1] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

[2] See footnote 1 to section 1 of this appendix.

[3] See footnote 1 to section 1 of this appendix.

(a) Designate any position in the USUHS as a ''sensitive'' position.

(b) Authorize, in case of an emergency, the appointment of a person to a sensitive position in the USUHS for a limited period of time for whom a full field investigation or other appropriate investigation, including the National Agency Check, has not been completed.

(c) Authorize the suspension, but not terminate the services, of an employee in the interest of national security in positions within the USUHS.

(d) Initiate investigations, issue personnel security clearances and, if necessary, in the interest of national security, suspend, revoke, or deny a security clearance for personnel assigned or detailed to, or employed by, the USUHS.

Any action to deny or revoke a security clearance shall be taken in accordance with procedures prescribed in DoD 5200.2–R,[4] ''DoD Personnel Security Program,'' January 1987.

10. Act as agent for the collection and payment of employment taxes imposed by chapter 21 of the Internal Revenue Code of 1954, as amended; and, as such agent, make all determinations and certifications required or provided for under section 3122 of the Internal Revenue Code of 1954, as amended, and section 205(p) (1) and (2) of the Social Security Act, as amended (42 U.S.C. 405(p) (1) and (2)) about USUHS employees.

11. Authorize and approve overtime work for USUHS civilian officers and employees in accordance with 5 U.S.C. chapter 55, subchapter V, and applicable OPM regulations.

12. Authorize and approve:

(a) Temporary duty travel for military personnel assigned or detailed to the USUHS in accordance with Joint Travel Regulations, Volume 1, ''Uniformed Service Members.''

(b) Travel for USUHS civilian officers and employees in accordance with Joint Travel Regulations, Volume 2, ''DoD Civilian Personnel.''

(c) Invitational travel to non-DoD employees whose consultative, advisory, or other highly specialized technical services are required in a capacity that is directly related to, or in connection with, USUHS activities, in accordance with Volume 2, Joint Travel Regulations.

13. Approve the expenditure of funds available for travel by military personnel assigned or detailed to the USUHS for expenses about attendance at meetings of technical, scientific, professional, or other similar organizations in such instances where the approval of the Secretary of Defense, or designee, is required by law (37 U.S.C. 412 and 5 U.S.C. 4110 and 4111).

14. Develop, establish, and maintain an active and continuing Records Management Program pursuant to section 506(b) of the Federal Records Act of 1950 (44 U.S.C. 3102).

15. Establish and use imprest funds for making small purchases of material and services, other than personal services, for the USUHS, when it is determined more advantageous and consistent with the best interests of the Government, in accordance with DoD Directive 7360.10,[5] ''Disbursing Policies,'' January 17, 1989.

16. Authorize the publication of advertisements, notices, or proposals in newspapers, magazines, or other public periodicals as required for the effective administration and operation of the USUHS consistent with 44 U.S.C. 3702.

17. Establish and maintain appropriate property accounts for the USUHS, and appoint Boards of Survey, approve reports of survey, relieve personal liability, and drop accountability for USUHS property contained in the authorized property accounts that has been lost, damaged, stolen, destroyed, or otherwise rendered unserviceable, in accordance with applicable laws and regulations.

18. Promulgate the necessary security regulations for the protection of property and places under the jurisdiction of the President of USUHS, pursuant to DoD Directive 5200.8,[6] ''Security of Military Installations and Resources,'' July 29, 1980.

19. Establish and maintain, for the functions assigned, an appropriate publications system for the promulgation of common supply and service regulations, instructions, and reference documents, and changes thereto, pursuant to the policies and procedures prescribed in DoD 5025.1–M,[7] ''DoD Directives System Procedures,'' December 1990.

20. Enter into support and service agreements with the Military Departments, other DoD Components, or other Government Agencies, as required for the effective performance of USUHS functions and responsibilities.

21. Exercise the authority delegated to the Secretary of Defense by the Administrator of the General Services Administration for the disposal of surplus personal property.

22. Enter into and administer contracts, directly or through a Military Department, a DoD contract administration services component, or other Government Department or Agency, as appropriate, for supplies, equipment, and services required to accomplish the mission of the USUHS. To the extent that any law or Executive order specifically

[4] See footnote 1 to section 1 of this appendix.

[5] See footnote 1 to section 1 of this appendix.

[6] See footnote 1 to section 1 of this appendix.

[7] See footnote 1 to section 1 of this appendix.

limits the exercise of such authority to persons at the Secretarial level, such authority shall be exercised by the appropriate Under Secretary or Assistant Secretary of Defense.

The ASD(HA) may redelegate these authorities, as appropriate, and in writing, except as otherwise specifically indicated above or as otherwise provided by law or regulation.

PART 368—FUNCTIONS OF THE DEPARTMENT OF DEFENSE AND ITS MAJOR COMPONENTS

Sec.
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AUTHORITY: 50 U.S.C. 401; 10 U.S.C. 125.

SOURCE: 52 FR 35417, Sept. 21, 1987, unless otherwise noted.

§368.1 Purpose.

This part promulgates the statement of the functions of the Department of Defense and its major components.

§368.2 Organizational relationships in the Department of Defense.

(a) All functions in the Department of Defense and its component agencies are performed under the authority, direction, and control of the Secretary of Defense.

(b) The Department of Defense is composed of the Office of the Secretary of Defense (OSD), the Military Departments and the Military Services within those Departments, the Joint Chiefs of Staff (JCS) and the Joint Staff, the Unified and Specified Combatant Commands, the Defense Agencies and DOD Field Activities, and such other offices, agencies, activities and commands as may be established or designated by law, or by the President or the Secretary of Defense. The functions of the heads of these offices shall be as assigned by the Secretary of Defense in accordance with existing law.

(1) In providing immediate staff assistance and advice to the Secretary of Defense, the Office of the Secretary of Defense and the Joint Chiefs of Staff, though separately identified and organized, function in full coordination and cooperation in accordance with 32 CFR part 371.

(i) The Office of the Secretary of Defense includes the Deputy Secretary of Defense, Under Secretaries of Defense, Director of Defense Research and Engineering, Assistant Secretaries of Defense, Comptroller of the Department of Defense, Director of Operational Test and Evaluation, General Counsel of the Department of Defense, Inspector General of the Department of Defense, and such other offices and officials as may be established by law or by the Secretary of Defense.

(ii) The Chairman and the Joint Chiefs of Staff are directly responsible to the Secretary of Defense for the functions assigned to them. To the extent it does not impair his independence in the performance of the duties as a member of the Joint Chiefs of Staff, each member of the Joint Chiefs of Staff, except the Chairman, shall inform the Secretary of his Military Department regarding military advice rendered by members of the Joint Chiefs of Staff on matters affecting his Military Department.

(2) Each Military Department (the Department of the Navy to include the United States Marine Corps, and the United States Coast Guard when transferred in accordance with sections 2, 3, and 145 of 14 U.S.C.) shall be separately organized under its own Secretary and shall function under the direction, authority, and control of the Secretary of Defense. Orders to the Military Departments shall be issued through the Secretaries of these Departments, or their designees, by the Secretary of Defense or under authority specifically delegated in writing by the Secretary of Defense or as provided by law.

(i) The Secretary of each Military Department, and the civilian employees and members of the Armed Forces under the jurisdiction of the Military Department Secretary, shall cooperate fully with the Office of the Secretary of Defense to achieve efficient administration of the Department of Defense

and to carry out effectively the authority, direction, and control of the Secretary of Defense.

(ii) The Secretary of Defense shall keep the Secretaries of the Military Departments informed with respect to military operations and activities of the Department of Defense that directly affect their respective responsibilities.

(3) The Commanders of the Unified and Specified Combatant Commands are responsible to the President and the Secretary of Defense for accomplishing the military missions assigned to them and shall excercise command authority over forces assigned to them as directed by the Secretary of Defense pursuant to section 10 U.S.C. 164. The operational chain of command runs from the President to the Secretary of Defense to the Commanders of the Unified and Specified Combatant Commands. The Chairman, JCS functions within the chain of command by transmitting to the Commanders of the Unified and Specified Combatant Commands the orders of the President or the Secretary of Defense.

(i) Orders to such commanders shall be issued by the President or the Secretary of Defense or by the Chairman, JCS with the authority and direction of the President or the Secretary of Defense.

(ii) Communications from the President or the Secretary of Defense to the Commanders of the Unified and Specified Combatant Commands, shall be transmitted through the Chairman, JCS. Communications from the Commanders of the Unified and Specified Combatant Commands to the President and/or the Secretary of Defense shall be transmitted through the Chairman, JCS.

(iii) Communications in matters of joint interest, addressed to the Commanders of the Unified and Specified Combatant Commands by other authority, shall, unless urgent circumstances do not permit, be coordinated with the Chairman, JCS. Information copies of all communications in matters of joint interest between Washington level offices, agencies, activities and commands and the Unified and Specified Combatant Commands shall be provided to the Chairman, JCS.

(iv) Subject to the authority, direction, and control of the Secretary of Defense, the Chairman acts as the spokesman for Commanders of the Unified and Specified Commands, especially on the operational requirements of their commands and shall be responsible for overseeing the activities of the combantant commands. The President and the Secretary of Defense may assign other duties to the Chairman to assist the President and the Secretary of Defense in performing their command functions.

§ 368.3 Functions of the Department of Defense.

As prescribed by higher authority, the Department of Defense shall maintain and employ armed forces to:

(a) Support and defend the Constitution of the United States against all enemies, foreign and domestic.

(b) Ensure, by timely and effective military action, the security of the United States, its possessions, and areas vital to its interest.

(c) Uphold and advance the national policies and interests of the United States.

§ 368.4 Functions of the Joint Chiefs of Staff.

The Joint Chiefs of Staff, consisting of the Chairman; the Chief of Staff, U.S. Army; the Chief of Naval Operations; the Chief of Staff, U.S. Air Force; and the Commandant of the Marine Corps, and supported by the Joint Staff, constitute the immediate military staff of the Secretary of Defense.

(a) The Chairman of the Joint Chiefs of Staff is the principal military advisor to the President, the National Security Council, and the Secretary of Defense. Subject to the authority, direction, and control of the President and the Secretary of Defense, the Chairman shall be responsible for the following principal functions:

(1) Advise and assist the Secretary of Defense of the preparation of annual policy guidance for the heads of Department of Defense components for the preparation and review of program recommendations and budget proposals.

(2) Advise the Secretary of Defense on the preparation of policy guidance for the preparation and review of contingency plans.

(3) Assist the President and the Secretary of Defense in providing for the strategic direction of the armed forces, including the direction of operations conducted by the Commanders of Unified and Specified Combatant Commands.

(4) Prepare strategic plans, including plans which conform with resource levels projected by the Secretary of Defense to be available for the period of time for which the plans are to be effective.

(5) Prepare joint logistic and mobility plans to support those strategic plans and recommend the assignment of logistics and mobility responsibilities to the armed forces in accordance with those logistic and mobility plans.

(6) Prepare military strategy and assessments of the associated risks. These will include the following:

(i) A military strategy to support national objectives within policy and resource level guidance provided by the Secretary of Defense. Such strategy will include broad military option prepared by the Chairman with the advice of the Joint Chiefs of Staff and the Commanders of the Unified and Specified Combatant Commands.

(ii) Net assessments to determine the capabilities of the Armed Forces of the United States and its allies as compared to those of possible adversaries.

(7) Provide for the preparation and review of contingency plans which conform to policy guidance from the President and the Secretary of Defense.

(8) Prepare joint logistics and mobility plans to support those contingency plans and recommend the assignment of logistic and mobility responsibilities to the Armed Forces in accordance with those logistic and mobility plans.

(9) Advise the Secretary of Defense on critical deficiencies and strengths in force capabilities (including manpower, logistic, and mobility support) identified during the preparation and review of contingency plans, and assess the effect of such deficiencies and strengths on meeting national security objectives and policy and on strategic plans.

(10) After consultation with the Commanders of the Unified and Specified Combatant Commands, establish and maintain a uniform system for evaluating the preparedness of each unified and specified combatant command to carry out missions assigned to the command.

(11) Advise the Secretary of Defense on the priorities of the requirements, especially operational requirements, identified by the Commanders of the Unified and Specified Combatant Commands.

(12) Advise the Secretary of Defense on the extent to which the program recommendations and budget proposals of the Military Departments and other components of the Department of Defense conform with the priorities established in strategic plans and with the priorities established for requirements of the Commanders of the Unified and Specified Combatant Commands.

(13) If deemed necessary, submit to the Secretary of Defense alternative program recommendations and budget proposals, within projected resource levels and guidance provided by the Secretary of Defense, to achieve greater conformance with the priorities established in strategic plans and with the priorities for the requirements of the Commanders of the Unified and Specified Combatant Commands.

(14) In accordance with guidance of the Secretary of Defense, recommend budget proposals for activities of each unified and specified combatant command, as appropriate. Activities for which funding may be requested include:

(i) Joint Exercises.

(ii) Force Training.

(iii) Contingencies.

(iv) Selected Operations.

(15) Advise the Secretary of Defense on the extent to which the major programs and policies of the armed forces in the area of manpower conform with strategic plans.

(16) Assess military requirements for defense acquisition programs.

(17) Develop and establish doctrine for all aspects of the joint employment of the Armed Forces.

(18) Formulate policies for coordinating the military education and training of members of the Armed Forces.

(19) Provide for representation of the United States on the Military Staff Committee of the United Nations in accordance with the Charter of the United Nations.

(20) Submit to the Secretary of Defense, not less than once every three years, a report containing such recommendations for changes in the assignment of functions (roles and missions) to the Armed Forces as the Chairman considers necessary to achieve maximum effectiveness of the Armed Forces.

(21) Prescribe the duties and functions of the Vice Chairman, JCS, subject to approval of the Secretary of Defense.

(22) Exercise exclusive direction of the Joint Staff.

(23) Subject to the direction of the President, attend and participate in meetings of the National Security Council.

(24) Advise and assist the President and the Secretary of Defense on establishing unified and specified combatant commands to perform military missions and on prescribing the force structure of those commands.

(25) Periodically, not less than every two years, review the missions, responsibilities (including geographic boundaries), and force structure of each unified and specified combatant command; and recommend to the President through the Secretary of Defense, any changes to missions, responsibilities, and force structure, as may be necessary.

(26) Transmit communications between the President or the Secretary of Defense and the Commanders of the Unified and Specified Combatant Commands, as directed by the President.

(27) Perform duties, as assigned by the President or the Secretary of Defense, to assist the President and the Secretary of Defense in performing their command function.

(28) Oversee the activities of the unified and specified combatant commands.

(29) Advise the Secretary of Defense on whether a Commander of a Unified or Specified Combatant Command has sufficient authority, direction, and control over the commands and forces assigned to the command to exercise effective command of those commands and forces.

(30) Advise and assist the Secretary of Defense on measures to provide for the administration and support of forces assigned to each unified and specified combatant command.

(31) Advise the Secretary of Defense on whether aspects of the administration and support necessary for the accomplishment of missions should be assigned to the Commander of a Unified or Specified Combatant Command.

(32) Serve as the spokesman for Commanders of the Unified and Specified Combatant Commands, especially on the operational requirements of their commands.

(33) Provide overall supervision of those Defense Agencies and Department of Defense Field Activities for which the Chairman, JCS has been designated by the Secretary of Defense to oversee. Perform such other functions with respect to the Defense Agencies and Department of Defense Field Activities as may be assigned by the Secretary of Defense.

(34) Periodically, not less than every two years, report to the Secretary of Defense on the responsiveness and readiness of designated combat support agencies.

(35) Provide for the participation of combat support agencies in joint training exercises, assess their performance, and take steps to provide for changes to improve their performance.

(36) Develop, in consultation with the director of each combat support agency, and maintain a uniform readiness reporting system for combat support agencies.

(37) Advise and assist the Secretary of Defense on the periodic review and revision of the curriculum of each professional military education school to enhance the education and training of officers in joint matters.

(38) Review the reports of selection boards that consider for promotion officers serving, or having served, in joint duty assignments in accordance with guidelines furnished by the Secretary of Defense and return the reports with determinations and comments to the Secretary of the appropriate Military Department.

(39) Advise the Secretary of Defense on the establishment of career guidelines for officers with the joint specialty.

(40) Submit to the Secretary of Defense an evaluation of the joint duty performance of officers recommended for an initial appointment to the grade of lieutenant general or vice admiral, or initial appointment as general or admiral.

(41) Promulgate Joint Chiefs of Staff publications (JCS Pubs) to provide military guidance for joint activities of the Armed Forces.

(42) Review the plans and programs of the Commanders of Unified and Specified Combatant Commands to determine their adequacy and feasibility for the performance of assigned missions.

(43) Provide military guidance for use by the Military Departments, the Military Services, and the Defense Agencies in the preparation of their respective detailed plans.

(44) Participate, as directed, in the preparation of combined plans for military action in conjunction with the armed forces of other nations.

(45) Determine the headquarters support, such as facilities, personnel, and communications, required by unified and specified combatant commands, and recommend the assignment to the Military Departments of the responsibilities for providing such support.

(46) Prepare and submit to the Secretary of Defense, for information and consideration, general strategic guidance for the development of industrial and manpower mobilization programs.

(47) Prepare and submit to the Secretary of Defense military guidance for use in the development of military aid programs and other actions relating to foreign military forces.

(48) Formulate policies for the joint training of the Armed Forces.

(49) Assess joint military requirements for command, control and communications, recommend improvements, and provide guidance on aspects that relate to the conduct of joint operations.

(50) Prepare and submit to the Secretary of Defense, for information and consideration in connection with the preparation of budgets, statements of military requirements based upon U.S. strategic war plans. These statements of requirements shall include tasks, priority of tasks, force requirements, and general strategic guidance for developing military installations and bases, and for equipping and maintaining military forces.

(51) In carrying out his functions, duties, and responsibilities, the Chairman, JCS shall, as he considers appropriate, consult with and seek the advice of the other members of the Joint Chiefs of Staff and the Commanders of the Unified and Specified Combatant Commands.

(52) Perform such other duties as the President or the Secretary of Defense may prescribe.

(b) The other members of the Joint Chiefs of Staff are military advisers to the President, the National Security Council, and the Secretary of Defense as specified below:

(1) A member of the Joint Chiefs of Staff may submit to the Chairman advice or an opinion in disagreement with, or in addition to the advice or opinion presented by the Chairman. If a member submits such advice or opinion, the Chairman shall present that advice or opinion to the President, Secretary of Defense, or National Security Council, at the same time that he presents his own advice. The Chairman will also, as he considers appropriate, inform the President, the National Security Council, or the Secretary of Defense of the range of military advice and opinion with respect to any matter.

(2) The members of the Joint Chiefs of Staff, individually or collectively, in their capacity as military advisers, will provide advice to the President, the National Security Council, or the Secretary of Defense on a particular matter when the President, the National Security Council, or the Secretary of Defense requests such advice.

(c) The Vice Chairman of the Joint Chiefs of Staff shall perform such duties as may be prescribed by the Chairman with the approval of the Secretary of Defense. When there is a vacancy in the Office of the Chairman or in the absence or disability of the Chairman, the Vice Chairman acts as Chairman

and performs the duties of the Chairman until a successor is appointed or the absence or disability ceases.

§ 368.5 Functions of the Unified and Specified Combatant Commanders.

(a) Unless otherwise directed by the President or the Secretary of Defense, the authority, direction, and control of the Commander of a Unified or Specified Combatant Command with respect to the commands and forces assigned to that command include the command functions of:

(1) Giving authoritative directions to subordinate commands and forces necessary to carry out missions assigned to the command, including authoritative direction over all aspects of military operations, joint training, and logistics;

(2) Prescribing the chain of command to the commands and forces within the command;

(3) Organizing commands and forces within that command as he considers necessary to carry out missions assigned to the command;

(4) Employing forces within that command as he considers necessary to carry out missions assigned to the command;

(5) Assigning command functions to subordinate commanders;

(6) Coordinating and approving those aspects of administration and support (including control of resources and equipment, internal organization, and training), and discipline necessary to carry out missions assigned to the command; and

(7) Exercising the authority with respect to selecting subordinate commanders, selecting combatant command staff, suspending subordinates, and convening courts-martial, as provided in 10 U.S.C.

(b) If a commander of a combatant command at any time considers his authority, direction, or control with respect to any of the commands or forces assigned to the command to be insufficient to command effectively, the commander shall promptly inform the Secretary of Defense.

(c) Unless otherwise directed by the President or the Secretary of the Defense, Commanders of Unified and Specified Combatant Commands exercise authority over subordinate commanders as follows:

(1) Commanders of commands and forces assigned to a unified or specified combatant command are under the authority, direction, and control of, and are responsible to, the Commander of the Unified or Specified Combatant Command on all matters for which the Commander of the Unified or Specified Combatant Command has been assigned authority under § 386.5(a);

(2) The commander of a command or force referred to in § 386.5(c)(1) shall communicate with other elements of the Department of Defense on any matter for which the Commander of the Unified or Specified Combatant Command has been assigned authority under § 386.5(a) in accordance with procedures, if any, established by the Commander of the Unified or Specified Combatant Command;

(3) Other elements of the Department of Defense shall communicate, with the commander of a command or force referred to in § 386.5(c)(1) on any matter for which the Commander of the Unified or Specified Combatant Command has been assigned authority under § 386.5(a) in accordance with procedures, if any, established by the Commander of the Unified or Specified Combatant Command; and

(4) If directed by the Commander of the Unified or Specified Combatant Command, the commander of a command or force referred to in § 386.5(c)(1) shall advise the Commander of the Unified or Specified Combatant Command of all communications to and from other elements of the Department of Defense on any matter for which the Commander of the Unified or Specified Combatant Command has not been assigned authority under § 386.5(a).

§ 368.6 Functions of the Military Departments.

(a) The chain of command for purposes other than the operational direction of unified and specified combatant commands runs from the President to the Secretary of Defense to the Secretaries of the Military Departments to the commanders of Service forces.

(b) Subject to the authority, direction, and control of the Secretary of

Defense, the Secretaries of the Military Departments are responsible for, and have the authority necessary to conduct, all affairs of their respective Departments, including the following:

(1) Recruiting.

(2) Organizing.

(3) Supplying.

(4) Equipping (including research and development).

(5) Training.

(6) Servicing.

(7) Mobilizing.

(8) Demobilizing.

(9) Administering (including the morale and welfare of personnel).

(10) Maintaining.

(11) The construction, outfitting, and repairs of military equipment.

(12) The construction, maintenance, and repair of buildings, structures, and utilities; the acquisition, management and disposal; and the management of real property of natural resources.

(c) Subject to the authority, direction, and control of the Secretary of Defense, the Secretaries of the Military Departments are responsible to the Secretary of Defense for the following activities of their respective Departments:

(1) The functioning and efficiency of their Departments;

(2) The formulation of policies and programs that are fully consistent with national security objectives and policies established by the President and the Secretary of Defense;

(3) The effective and timely implementation of policy, program, and budget decisions and instructions of the President or Secretary of Defense relating to the functions of each Military Department;

(4) Carrying out the functions of the Military Departments so as to fulfill (to the maximum extent practicable) the current and future operational requirements of the unified and specified combatant commands;

(5) Effective cooperation and coordination between the Military Departments and agencies of the Department of Defense to provide for more effective, efficient, and economical administration and to eliminate duplication;

(6) The presentation and justification of the positions of their respective departments on the plans, programs, and policies of the Department of Defense;

(7) The effective supervision and control of Military Department intelligence activities; and

(8) Such other activities as may be prescribed by law or by the President or Secretary of Defense.

(d) *Common functions of the Military Departments.* The functions of the Military Departments, under their respective Secretaries, are as follows:

(1) To prepare forces and establish reserves of manpower, equipment, and supplies for the effective prosecution of war and military operations short of war and plan for the expansion of peacetime components to meet the needs of war.

(2) To maintain in readiness mobile reserve forces, properly organized, trained, and equipped for employment in emergency.

(3) To provide adequate, timely, and reliable intelligence and counterintelligence for the Military Department and other agencies as directed by competent authority.

(4) To recruit, organize, train, and equip interoperable forces for assignment to unified and specified combatant commands.

(5) To prepare and submit budgets for their respective departments; justify before the Congress budget requests as approved by the President; and administer the funds made available for maintaining, equipping, and training the forces of their respective departments, including those assigned to unified and specified combatant commands. The budget submissions to the Secretary of Defense by the Military Departments will be prepared on the basis, among other things, of the recommendations of CINCs and of Service component commanders of forces assigned to unified and specified combatant commands.

(6) To conduct research; develop tactics, techniques, and organization; and develop and procure weapons, equipment, and supplies essential to the fulfillment of the functions assigned in this publication.

(7) To develop, garrison, supply, equip, and maintain bases and other installations, including lines of communication, and to provide administrative

and logistics support for all forces and bases, unless otherwise directed by the Secretary of Defense.

(8) To provide, as directed, such forces, military missions, and detachments for service in foreign countries as may be required to support the national interests of the United States.

(9) To assist in training and equipping the military forces of foreign nations.

(10) To provide, as directed, administrative and logistic support to the headquarters of unified and specified combatant commands, to include direct support of the development and acquisition of the command and control systems of such headquarters.

(11) To assist each other in the accomplishment of their respective functions, including the provisions of personnel, intelligence, training, facilities, equipment, supplies, and services.

(12) To prepare and submit, in coordination with other Military Departments, mobilization information to the Joint Chiefs of Staff.

(e) *Common service functions.* The Army, Navy, Air Force, and Marine Corps, under their respective Secretaries, are responsible for the following functions:

(1) Determining Service force requirements and making recommendations concerning force requirements to support national security objectives and strategy and to meet the operational requirements of the unified and specified combatant commands.

(2) Planning for the use of the intrinsic capabilities of resources of the other Services which may be made available.

(3) Recommending to the Joint Chiefs of Staff the assignment and deployment of forces to unified and specified combatant commands established by the President through the Secretary of Defense.

(4) Administering Service forces.

(5) Providing logistic support for Service forces, including procurement, distribution, supply, equipment, and maintenance, unless otherwise directed by the Secretary of Defense.

(6) Developing doctrines, procedures, tactics, and techniques employed by Service forces.

(7) Conducting operational testing and evaluation.

(8) Providing for training for joint operations and joint exercises in support of unified and specified combatant command operational requirements, including the following:

(i) Development of Service training, doctrines, procedures, tactics, techniques, and methods of organization in accordance with policies and procedures established in Service publications.

(ii) Development and preparation of Service publications to support the conduct of joint training.

(iii) Determination of Service requirements to enhance the effectiveness of joint training.

(iv) Support of that joint training directed by the Commanders of the Unified and Specified Combatant Commands and conduct of such additional joint training as is mutually agreed upon by the Services concerned.

(9) Operating organic land vehicles, aircraft, and ships or craft.

(10) Consulting and coordinating with with other Services on all matters of joint concern.

(11) Participating with the other Services in the development of the doctrines, procedures, tactics, techniques, training, publications, and equipment for such joint operations as are the primary responsibility of one of the Services.

(f) The forces developed and trained to perform the primary functions set forth hereafter shall be employed to support and supplement the other Military Service forces in carrying out their primary functions, where and whenever such participation shall result in increased effectiveness and shall contribute to the accomplishment of the overall military objectives. As for collateral functions, while the assignment of such functions may establish further justification for stated force requirements, such assignment shall not be used as the sole basis for establishing additional force requirements.

(1) *Functions of the Department of the Army.* (i) The Army, within the Department of the Army, includes land combat and service forces and any organic aviation and water transport assigned.

The Army is responsible for the preparation of land forces necessary for the effective prosecution of war and military operations short of war, except as otherwise assigned and, in accordance with intergrated joint mobilization plans, for the expansion of the peacetime components of the Army to meet the needs of war.

(ii) The primary functions of the Army are:

(A) To organize, train, and equip forces for the conduct of prompt and sustained combat operations on land—specifically, forces to defeat enemy land forces and to seize, occupy, and defend land areas.

(B) To organize, train, equip, and provide forces for appropriate air and missile defense and space control operations, including the provisions of forces as required for the strategic defense of the United States, in accordance with joint doctrines.

(C) To organize, equip, and provide Army forces, in coordination with the other Military Services, for joint amphibious, airborne, and space operations and to provide for the training of such forces, in accordance with joint doctrines. Specifically, the Army will:

(*1*) Develop, in coordination with the other Military Services, doctrines, tactics, techniques, and equipment of interest to the Army for amphibious operations and not provided for elsewhere.

(*2*) Develop, in coordination with the other Military Services, the doctrines, procedures, and equipment employed by Army and Marine Corps forces in airborne operations. The Army will have primary responsibility for developing those airborne doctrines, procedures, and equipment that are of common interest to the Army and the Marine Corps.

(*3*) Develop, in coordination with the other Military Services, doctrines, procedures and equipment employed by Army forces in the conduct of space operations.

(D) To organize, train, equip, and provide forces for the support and conduct of special operations.

(E) To provide equipment, forces procedures, and doctrine necessary for the effective prosecution of electronic warfare operations and, as directed, support of other forces.

(F) To organize, train, equip, and provide forces for the support and conduct of psychological operations.

(G) To provide forces for the occupation of territories abroad, including initial establishment of military government pending transfer of this responsibility to other authority.

(H) To develop doctrines and procedures, in coordination with the other Military Services, for organizing, equipping, training, and employing forces operating on land, except that the development of doctrines and procedures for organizing, equipping, training, and employing Marine Corps units for amphibious operations will be a function of the Marine Corps coordinating, as required, with the other Military Services.

(I) To organize, train, equip, and provide forces, as directed, to operate land lines of communication.

(J) To conduct the following activities:

(*1*) Functions relating to the management and operation of the Panama Canal, as assigned by the Secretary or Deputy Secretary of Defense.

(*2*) The authorized civil works program, including projects for improvement of navigation, flood control, beach erosion control, and other water resource developments in the United States, its territories, and its possessions.

(*3*) Certain other civil activities prescribed by law.

(iii) A collateral function of the Army is to train forces to interdict enemy sea and air power and communications through operations on or from land.

(iv) Army responsibilities in support of space operations include the following:

(A) Organizing, training, equipping, and providing Army forces to support space operations.

(B) Developing in coordination with the other Military Services, tactics, techniques, and equipment employed by Army forces for use in space operations.

(C) Conducting individual and unit training of Army space operations forces.

(D) Participating with other Services in joint space operations, training, and exercises as mutually agreed to by the Services concerned, or as directed by competent authority.

(E) Providing forces for space support operations for the Department of Defense when directed.

(v) Other responsibilities of the Army. With respect to close air support of ground forces, the Army has specific responsibility for the following:

(A) Providing, in accordance with inter-Service agreements, communications, personnel, and equipment employed by Army forces.

(B) Conducting individual and unit training of Army forces.

(C) Developing equipment, tactics, and techniques employed by Army forces.

(2) *Functions of the Department of the Navy*. (i) The Navy, within the Department of the Navy, includes, in general, naval combat and service forces and such aviation as may be organic therein. The Marine Corps, within the Department of Navy, includes not less than three combat divisions and three air wings and such other land combat, aviation, and other services as may be organic therein. The Coast Guard, when operating as a Service within the Department of the Navy, includes naval combat and service forces and such aviation as may be organic therein.

(A) The Navy and Marine Corps, under the Secretary of the Navy, are responsible for the preparation of Navy and Marine Corps forces necessary for the effective prosecution of war and military operations short of war, except as otherwise assigned and, in accordance with the integrated joint mobilization plans, for the expansion of the peacetime components of the Navy and Marine Corps to meet the needs of war.

(B) During peacetime, the Department of Transportation is responsible for maintaining the United States Coast Guard in a state of readiness so that it may function as a specialized Service in the Navy in time of war or when the President directs. The Coast Guard may also perform its military functions in times of limited war or defense contingency, in support of Naval Component Commanders, without transfer to the Department of the Navy.

(ii) The primary functions of the Navy and/or Marine Corps are:

(A) To organize, train, equip and provide Navy and Marine Corps forces for the conduct of prompt and sustained combat incident to operations at sea, including operations of sea-based aircraft and land-based naval air components—specifically, forces to seek out and destroy enemy naval forces and to suppress enemy sea commerce, to gain and maintain general naval supremacy, to control vital sea areas and to protect vital sea lines of communication, to establish and maintain local superiority (including air) in an area of naval operations, to seize and defend advanced naval bases, and to conduct such land, air, and space operations as may be essential to the prosecution of a naval campaign.

(B) To maintain the Marine Corps which will be organized, trained, and equipped to provide Fleet Marine Forces of combined arms, together with supporting air components, for service with the fleet in the seizure or defense of advanced naval bases and for the conduct of such land operations as may be essential to the prosecution of a naval campaign. In addition, the Marine Corps will provide detachments and organizations for service on armed vessels of the Navy, provide security detachments for the protection of naval property at naval stations and bases, and perform such other duties as the President or the Secretary of Defense may direct. However, these additional duties must not detract from or interfere with, the operations for which the Marine Corps is primarily organized. These functions do not contemplate the creation of a second land army.

(C) Further, the Marine Corps will:

(*1*) Develop, in coordination with the other Military Services, the doctrines, tactics, techniques, and equipment employed by landing forces in amphibious operations. The Marine Corps will have primary responsibility for the development of those landing force doctrines, tactics, techniques, and equipment which are of common interest to the Army and the Marine Corps.

(*2*) Train and equip as required, forces for airborne operations, in coordination with the other Military Services, and in accordance with joint doctrines.

(*3*) Develop, in coordination with the other Military Services, doctrines, procedures, and equipment of interest to the Marine Corps for airborne operations and not provided for by the Army, which has primary responsibility for the development of airborne doctrines, procedures, and techniques, which are of common interest to the Army and Marine Corps.

(D) To organize and equip, in coordination with the other Military Services, and to provide naval forces, including naval close air support and space forces, for the conduct of joint amphibious operations, and to be responsible for the amphibious training of all forces assigned to joint amphibious operations in accordance with joint doctrines.

(E) To develop, in coordination with the other Services, the doctrines, procedures, and equipment of naval forces for amphibious operations and the doctrines and procedures for joint amphibious operations.

(F) To organize, train, equip, and provide forces for strategic nuclear warfare to support strategic deterrence.

(G) To furnish adequate, timely, reliable intelligence for the Coast Guard.

(H) To organize, train, equip, and provide forces for reconnaissance, antisubmarine warfare, protection of shipping, aerial refueling and minelaying, including the air and space aspects thereof, and controlled minefield operations.

(I) To provide the afloat forces for strategic sealift.

(J) To provide air support essential for naval operations.

(K) To organize, train, equip, and provide forces for appropriate air and missile defense and space Control operations, including the provision of forces as required for the strategic defense of the United States, in accordance with joint doctrines.

(L) To provide equipment, forces, procedures, and doctrine necessary for the effective prosecution of electronic warfare operations and, as directed, support of other forces.

(M) To furnish aerial photography, as necessary, for Navy and Marine Corps operations.

(N) To develop, in coordination with the other Services, doctrines, procedures, and equipment employed by Navy and Marine Corps forces in the conduct of space operations.

(O) To provide sea-based launch and space support for the Department of Defense when directed.

(P) To organize, train, equip, and provide forces, as directed, to operate sea lines of communication.

(Q) To organize, train, equip, and provide forces for the support and conduct of special operations.

(R) To organize, train, equip, and provide Navy and Marine Corps forces for the support and conduct of psychological operations.

(S) To coordinate with the Department of Transportation for the peacetime maintenance of the Coast Guard. During war, the Coast Guard will function as a Military Service. The specific wartime functions of the Coast Guard are as follows:

(*1*) To provide an integrated port security and coastal defense force, in coordination with the other Military Services, for the United States.

(*2*) To provide specialized Coast Guard units, including designated ships and aircraft, for overseas deployment required by naval component commanders.

(*3*) To organize and equip, in coordination with the other Military Services, and provide forces for maritime search and rescue, icebreaking, and servicing of maritime aids to navigation.

(iii) The collateral functions of the Navy and Marine Corps include the following:

(A) To interdict enemy land power, air power, and communications through operations at sea.

(B) To conduct close air and naval support for land operations.

(C) To furnish aerial imagery for cartographic purposes.

(D) To be prepared to participate in the overall air and space effort, as directed.

(E) To establish military government, as directed, pending transfer of this responsibility to other authority.

(iv) Navy and Marine Corps responsibilities in support of space operations include:

(A) Organizing, training, equipping, and providing Navy and Marine Corps forces to support space operations.

(B) Developing, in coordination with the other Military Services, tactics, techniques, and equipment employed by Navy and Marine Corps forces for use in space operations.

(C) Conducting individual and unit training of Navy and Marine Corps space operations forces.

(D) Participating with the other Services in joint space operations, training, and exercises, as mutually agreed to by the Services concerned or as directed by competent authority.

(v) Other responsibilities of the Navy and Marine Corps include:

(A) Providing, when directed, logistic support of Coast Guard forces, including procurement, distribution, supply, equipment, and maintenance.

(B) Providing air and land transport essential for naval operations and not otherwise provided for.

(C) Providing and operating sea transport for the Armed Forces other than that which is organic to the individual Services.

(D) Developing, in coordination with the other Services, doctrine and procedures for close air support for naval forces and for joint forces in amphibious operations.

(3) *Functions of the Department of the Air Force.* (i) The Air Force, within the Department of the Air Force, includes aviation forces, both combat and service, not otherwise assigned. The Air Force is responsible for the preparation of the air forces necessary for the effective prosecution of war and military operations short of war, except as otherwise assigned and, in accordance with integrated joint mobilization plans, for the expansion of the peacetime components of the Air Force to meet the needs of war.

(ii) The primary functions of the Air Force include:

(A) To organize, train, equip, and provide forces for the conduct of prompt and sustained combat operations in the air—specifically, forces to defend the United States against air attack in accordance with doctrines established by the Joint Chiefs of Staff, gain and maintain general air supremacy, defeat enemy air forces, conduct space operations, control vital air areas, and establish local air superiority except as otherwise assigned herein.

(B) To organize, train, equip, and provide forces for appropriate air and missile defense and space control operations, including the provision of forces as required for the strategic defense of the United States, in accordance with joint doctrines.

(C) To organize, train, equip, and provide forces for strategic air and missile warfare.

(D) To organize, equip, and provide forces for joint amphibious, space, and airborne operations, in coordination with the other Military Services, and to provide for their training in accordance with joint doctrines.

(E) To organize, train, equip, and provide forces for close air support and air logistic support to the Army and other forces, as directed, including airlift, air support, resupply of airborne operations, aerial photography, tactical air reconnaissance, and air interdiction of enemy land forces and communications.

(F) To organize, train, equip and provide forces for air transport for the Armed Forces, except as otherwise assigned.

(G) To develop, in coordination with the other Services, doctrines, procedures, and equipment for air defense from land areas, including the United States.

(H) To organize, train, equip, and provide forces to furnish aerial imagery for use by the Army and other agencies as directed, including aerial imagery for cartographic purposes.

(I) To develop, in coordination with the other Services, tactics, techniques, and equipment of interest to the Air Force for amphibious operations and not provided for elsewhere.

(J) To develop, in coordination with the other Services, doctrines, procedures, and equipment employed by Air Force forces in airborne operations.

(K) To provide launch and space support for the Department of Defense, except as otherwise assigned.

(L) To develop, in coordination with the other Services, doctrines, procedures, and equipment employed by Air Force forces in the conduct of space operations.

(M) To organize, train, equip, and provide land-based tanker forces for the in-flight refueling support of strategic operations and deployments of aircraft of the Armed Forces and Air Force tactical operations, except as otherwise assigned.

(N) To organize, train, equip, and provide forces, as directed to operate air lines of communications.

(O) To organize, train, equip, and provide forces for the support and conduct of special operations.

(P) To organize, train, equip, and provide forces for the support and conduct of psychological operations.

(Q) To provide equipment, forces, procedures, and doctrine necessary for the effective prosecution of electronic warfare operations and, as directed, support of other forces.

(iii) Collateral functions of the Air Force include the following:

(A) Surface sea surveillance and antisurface ship warfare through air operations.

(B) Antisubmarine warfare and antiair warfare operations to protect sea lines of communications.

(C) Aerial minelaying operations.

(D) Air-to-air refueling in support of naval campaigns.

(iv) Air Force responsibilities in support of space operations include:

(A) Organizing, training, equipping, and providing forces to support space operations.

(B) Developing, in coordination with the other Military Services, tactics, techniques, and equipment employed by Air Force forces for use in space operations.

(C) Conducting individual and unit training of Air Force space operations forces.

(D) Participating with the other Services in joint space operations, training, and exercises as mutually agreed to by the Services concerned, or as directed by competent authority.

(v) Other responsibilities of the Air Force include:

(A) With respect to amphibious operations, the Air Force will develop, in coordination with the other Services, tactics, techniques, and equipment of interest to the Air Force and not provided for by the Navy and Marine Corps.

(B) With respect to airborne operations, the Air Force has specific responsibility to:

(*1*) Provide Air Force forces for the air movement of troops, supplies, and equipment in joint airborne operations, including parachute and aircraft landings.

(*2*) Develop tactics and techniques employed by Air Force forces in the air movement of troops, supplies, and equipment.

(C) With respect to close air support of ground forces, the Air Force has specific responsibility for developing, in coordination with the other Services, doctrines and procedures, except as provided for in Navy responsibilities for amphibious operations and in responsibilities for the Marine Corps.

§368.7 Functions of DoD Agencies.

(a) Defense Advanced Research Projects Agency (DARPA). See 32 CFR part 358.

(b) Defense Communications Agency (DCA). See 32 CFR part 362.

(c) Defense Contract Audit Agency (DCAA). See 32 CFR part 357.

(d) Defense Intelligence Agency (DIA). See 32 CFR part 354.

(e) Defense Investigative Service (DIS). See 32 CFR part 361.

(f) Defense Legal Services Agency (DLSA). See DoD Directive 5145.4,[1] August 12, 1981.

(g) Defense Logistics Agency (DLA). See 32 CFR part 359.

(h) Defense Mapping Agency (DMA). See 32 CFR part 360.

(i) Defense Nuclear Agency (DNA). See DoD Directive 5105.31,[1] March 18, 1987.

(j) Defense Security Assistance Agency (DSAA). See 32 CFR part 363.

(k) The National Security Agency and the Central Security Service (NSA/CSS). See DoD Directive S–5100.20, December 23, 1971.

[1] Copies may be obtained, if needed, from the U.S. Naval Publication and Forms Center, 5801 Tabor Avenue, ATTN: Code 301, Philadelphia, PA 19120.

(l) Strategic Defense Initiative Organization (SDIO). See DoD Directive 5141.5,[1] February 21, 1986.

PART 369—PRINCIPAL DEPUTY UNDER SECRETARY OF DEFENSE FOR ACQUISITION AND TECHNOLOGY (PDUSD(A&T))

Sec.
369.1 Purpose.
369.2 Applicability.
369.3 Responsibilities, functions, relationships, and authorities.

AUTHORITY: 10 U.S.C. 113 and 133a.

SOURCE: 59 FR 35261, July 11, 1994, unless otherwise noted.

§ 369.1 Purpose.

Pursuant to 10 U.S.C. 133a and the authority vested in the Secretary of Defense by 10 U.S.C. 113, this part establishes the position of PDUSD(A&T) with the responsibilities, functions, relationships, and authorities, as prescribed in this part.

§ 369.2 Applicability.

This part applies to the Office of the Secretary of Defense, the Military Departments, the Chairman of the Joint Chiefs of Staff, the Unified Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, and the DoD Field Activities.

§ 369.3 Responsibilities, functions, relationships, and authorities.

The Principal Deputy Under Secretary of Defense for Acquisition and Technology, as the primary assistant of the Under Secretary of Defense for Acquisition and Technology (USD(A&T)), advises and assists the USD(A&T) across the full range of responsibilities in providing staff advice and assistance to the Secretary and Deputy Secretary of Defense, particularly with regard to ensuring the integrity of Major Systems Acquisition oversight and processes, acquisition and procurement policy execution and oversight functions, and by law is empowered to act on behalf of the USD(A&T). As such the PDUSD(A&T) shall:

(a) Assist the USD(A&T) in carrying out the responsibilities, functions, relationships, and authorities contained in law and 32 CFR part 384.

(b) Exercise full power and authority to act for the USD(A&T) and to exercise the powers of the USD(A&T) upon any and all matters concerning which the USD(A&T) is authorized to act pursuant to law and 32 CFR part 384, as directed by the Under Secretary, or when the Under Secretary is absent or disabled.

(c) Exercise authority, direction, and control over organizations designated by the USD(A&T) for supervision by the PDUSD(A&T).

PART 370—DoD HEALTH COUNCIL

Sec.
370.1 Reissuance and purpose.
370.2 Applicability.
370.3 Organization and management.
370.4 Policy.
370.5 Responsibilities.
370.6 Charter, Dental Chiefs Council (DCC).
370.7 Charter, Medical Mobilization and Deployment Steering Committee.

AUTHORITY: 10 U.S.C. 133.

SOURCE: 47 FR 34983, Aug. 12, 1982, unless otherwise noted.

§ 370.1 Reissuance and purpose.

This part is reissued to update the DoD Health Council (DHC) charter, and to authorize the establishment of the DoD Dental Chiefs Council (DCC) and the Medical Mobilization and Deployment Steering Committee (MMDSC) as subordinate elements. The DCC and MMDSC charters are §§ 370.6 and 370.7.

§ 370.2 Applicability.

The provisions of this part apply to the Office of the Secretary of Defense, the Military Departments, and the Organization of the Joint Chiefs of Staff (OJCS). The term, ''Military Service,'' refers to the Army, Navy, Air Force, and Marine Corps.

§ 370.3 Organization and management.

(a) The DHC is composed of the Assistant Secretary of Defense (Health Affairs) (ASD(HA)), who serves as the chair, the Surgeons General from each of the Military Departments, and one representative from the OJCS and from

the Uniformed Services University of the Health Sciences.

(b) The Council meets regularly at the call of the chair.

(c) The Council is supported by an Executive Director who is selected by the ASD(HA). To assist the Executive Director, each member of the DHC, other than the ASD(HA), designates an officer or civilian employee within its organization on a part-time basis to prepare issue items.

(d) The Executive Director of the DHC, subject to the direction of the chair:

(1) Plans, organizes, and manages the administrative activities of the DHC.

(2) Coordinates the development of reports and issues for consideration by the DHC.

(3) Develops and coordinates plans and programs that are required to accomplish the DHC's responsibilities.

(4) Performs other directed duties.

§370.4 Policy.

The DHC complements the statutory responsibilities of the ASD(HA), in accordance with 32 CFR part 367, by advising him on DoD health matters; provides a forum for consultation, discussion, and advice on DoD health plans, policies, and related issues; and facilitates coordination among the organizations represented by the DHC members.

§370.5 Responsibilities.

(a) In carrying out the provisions of this charter part, the *Chair, DHC,* shall:

(1) Advise the ASD(HA) on policy changes required to improve wartime readiness and the delivery of health care.

(2) Advise the ASD(HA) on coordination with other Federal agencies to enhance health care delivery.

(3) Develop and maintain health objectives with appropriate tasks and priorities approved by the ASD(HA) that:

(i) Increase the wartime medical readiness of the Military Departments.

(ii) Increase the productivity, efficiency, and economy of the Armed Forces health care system without unnecessary duplication of resources.

(iii) Enhance recruitment, retention, training, and use of health care professionals within the Armed Forces health care system to meet Military Service requirements.

(iv) Improve the effectiveness of the direct and indirect health care delivery system to meet the demands of the eligible beneficiary population.

(b) The *Assistant Secretary of Defense (Health Affairs)* shall report to the Secretary of Defense on any issue of importance that comes before the DHC and that warrants the Secretary's consideration.

§370.6 Charter, Dental Chiefs Council (DCC).

(a) *Purpose.* The DCC is hereby established to serve the DoD Health Council (DHC) on all matters pertaining to dental health. The DCC shall provide a forum for consultation, discussion, and advice on DoD dental health plans, policies, and related issues, and shall facilitate coordination among the Dental Corps of the Military Departments.

(b) *Organization and management.* (1) The DCC shall be composed of the three Dental Corps chiefs who represent the Army, Navy, and Air Force. Each year, on a rotating basis, one of these chiefs will serve as chair of the DCC. The DCC shall meet on a scheduled basis and at the call of the chair. The chair or another designated member will be available to attend meetings of the DHC at which dental matters are considered.

(2) The DCC shall be supported by an executive secretary. The Special Assistant for Dental Affairs, Office of the ASD(HA), shall serve in this capacity. The Dental Corps chiefs shall designate an officer or civilian employee within their Military Departments to assist the executive secretary on a part-time basis in the preparation of issue and agenda items.

(3) Matters referred to the DHC will be coordinated through the DHC executive director.

(c) *Responsibilities.* (1) In carrying out the purposes and provisions of this charter, the *Dental Chiefs Council* shall:

(i) Advise the DHC through each Military Department's Surgeon General when policy changes are required to improve wartime readiness and the delivery of dental health care.

(ii) Coordinate with other Federal dental health agencies to enhance dental health care delivery.

(iii) Develop and maintain dental health objectives that will:

(A) Increase the wartime dental readiness of the Military Departments;

(B) Increase dental care productivity, efficiency, and economy within the Armed Forces health care system without unnecessary duplication of resources.

(C) Enhance recruitment, retention, training, and use of dental health care professionals within the Armed Forces health care system to meet military requirements.

(D) Improve the effectiveness of the direct and indirect dental health care delivery system to meet the demands of the eligible beneficiary population.

(2) The *Executive Secretary of the DCC* shall, subject to the direction of the chair:

(i) Plan, organize, and manage the activities of the DCC.

(ii) Coordinate the development of reports and issues for consideration by the DCC.

(iii) Develop and coordinate the plans and programs to accomplish the responsibilities of the DCC.

(iv) Perform such other duties as may be directed by the chair.

§ 370.7 Charter, Medical Mobilization and Deployment Steering Committee.

(a) *Purpose.* The MMDSC is hereby established, replacing the Medical Mobilization and Deployment Steering Group that was established under ASD(HA) Memorandum, ''Medical Mobilization and Deployment Steering Group,'' May 8, 1981 (hereby canceled). The MMDSC acts as the agent of the Defense Health Council (DHC) in identifying and recommending solutions to problems in medical readiness, mobilization, and deployment; and by reporting to the DHC on those issues.

(b) *Organization and Management.* (1) The MMDSC comprises the Deputy Assistant Secretary of Defense (Medical Readiness) (DASD(MR)), Office of the ASD(HA), who serves as the chair; a flag or general officer from each of the Military Services; and one representative each from the OJCS, the Defense Logistics Agency, and the Office of the ASD (MRA&L).

(2) The MMDSC meets regularly at the call of the chair.

(3) The MMDSC is supported by the staff of the DASD(MR). Each member of the MMDSC provides additional support from his or her organization, as required.

(4) The DASD(MR) directs the preparation of the agenda and minutes of the MMDSC. Any member of the MMDSC may recommend agenda items.

(c) *Responsibilities*—(1) The *Medical Mobilization and Deployment Steering Committee* shall:

(i) Develop objectives for inter-Service management of wartime medical logistics and material, and review and coordinate that management.

(ii) Develop objectives for cross-Service utilization of medical personnel, and review and coordinate their attainment.

(iii) Review and coordinate peacetime training in wartime medical skills to ensure an adequate level of medical readiness.

(iv) Recommend to the DHC any policy changes needed to achieve the goal of medical readiness.

(v) Convene in time of crisis to coordinate tri-Service medical mobilization or other appropriate responses, including:

(A) The allocation of returning overseas casualties among military and civilian components of the civilian/military contingency hospital system; and

(B) The provision of medical care to military dependents, retirees and their dependents, and survivors of military members, both within the military health care system and through the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS).

(2) The *Chair of the MMDSC* shall report to the DHC on any issue requiring its attention or resolution by higher authority.

PART 371—DEFENSE PRISONER OF WAR/MISSING IN ACTION OFFICE (DPMO)

Sec.
371.1 Purpose.
371.2 Applicability.
371.3 Mission.
371.4 Organization and management.
371.5 Responsibilities and functions.
371.6 Relationships.

371.7 Authorities.
371.8 Administration.

AUTHORITY: 10 U.S.C. 113 and 191.

SOURCE: 58 FR 48308, Sept. 15, 1993, unless otherwise noted.

§371.1 Purpose.

Under the authority vested in the Secretary of Defense by 10 U.S.C. 113 and 191, this part establishes the DPMO within the Department of Defense, with the mission, organization, responsibilities, functions, relationships, and authorities prescribed herein.

§371.2 Applicability.

This part applies to the Office of the Secretary of Defense (OSD); the Military Departments; the Chairman of the Joint Chiefs of Staff and the Joint Staff; the Unified and Specified Combatant Commands; the Inspector General of the Department of Defense; the Defense Agencies; and the DoD Field Activities (hereafter referred to collectively as ''the DoD Components'').

§371.3 Mission.

The DPMO provides centralized management of prisoner of war/missing in action (POW/MIA) affairs within the Department of Defense.

§371.4 Organization and management.

The DPMO is hereby established as a DoD Field Activity under the authority, direction, and control of the Assistant Secretary of Defense for Regional Security Affairs (ASD(RSA)). The DPMO shall consist of a Director and such subordinate elements as the Director establishes, within the resources authorized by the Secretary of Defense.

§371.5 Responsibilities and functions.

(a) The *Director, Defense Prisoner of War/Missing in Action Office* shall:

(1) Organize, direct, and manage the DPMO and all assigned resources.

(2) Advise and assist the Under Secretary of Defense for Policy (USD(P)) and the ASD(RSA) within assigned mission, responsibilities, and functions.

(3) Support the USD(P) and the ASD(RSA) in the execution of their responsibilities to develop, coordinate, and oversee the implementation of POW/MIA policy.

(4) Serve as the DoD focal point for POW/MIA matters.

(5) Provide DoD participation in the conduct of negotiations with officials of foreign governments in efforts to achieve the fullest possible accounting of missing American service members.

(6) Assemble and analyze information on U.S. military and civilian personnel who are, or were, prisoners of war or missing in action.

(7) Maintain data bases on U.S. military and civilian personnel who are, or were, prisoners of war or missing in action.

(8) Declassify DoD documents for disclosure and release in accordance with section 1082 of Public Law 102–190 and Executive Order 12812, 57 FR 32879, 3 CFR, 1992 Comp., p. 311.

(9) Maintain open channels of communication on POW/MIA matters between the Department of Defense and the Congress, POW/MIA families, and veteran organizations, through periodic consultations and other appropriate measures.

(10) Provide appropriate representation to established POW/MIA-related interagency fora.

(11) Provide a statement of intelligence collection requirements to the Defense Intelligence Agency, for which the DPMO identifies a need.

(12) Perform such other functions as the ASD(RSA) may prescribe.

(b) The *Assistant Secretary of Defense for Regional Security Affairs* shall:

(1) Exercise authority, direction, and control over the DPMO.

(2) Recommend policies and resources for the administration of the DPMO to the Under Secretary of Defense for Policy.

§371.6 Relationships.

(a) In the performance of assigned responsibilities and functions, the Director, DPMO, shall:

(1) Report directly to the ASD(RSA).

(2) Coordinate and exchange information with other OSD officials, heads of the DoD Components, and other Federal officials having collateral or related functions.

(3) Use existing facilities and services of the Department of Defense and other

Federal Agencies, when practicable, to avoid duplication and to achieve maximum efficiency and economy.

(b) Other OSD officials and heads of the DoD Components shall coordinate with the Director, DPMO, on all matters related to the responsibilities and functions of the DPMO.

§ 371.7 Authorities.

The Director, DPMO, is hereby delegated authority to:

(a) Obtain reports, information, advice, and assistance, consistent with the policies and criteria of DoD Directive 8910.1,[1] as deemed necessary.

(b) Communicate directly with the heads of the DoD Components. Communications to the Commanders of Unified and Specified Combatant Commands shall be transmitted through the Chairman of the Joint Chiefs of Staff.

(c) Communicate with other Government officials, representatives of the legislative branch, members of the public, and representatives of foreign governments, as appropriate, in carrying out assigned functions.

§ 371.8 Administration.

(a) The DPMO shall be authorized such personnel, facilities, funds, and other resources as the Secretary of Defense deems necessary.

(b) The Military Departments shall assign military personnel to the DPMO in accordance with approved authorizations and established procedures for assignment to joint duty.

(c) Administrative support required for the DPMO shall be provided by the Director, Washington Headquarters Services.

PART 373—INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE

Sec.

373.1 Purpose.
373.2 Applicability and scope.
373.3 Mission.
373.4 Organization and management.
373.5 Responsibilities and functions.
373.6 Relationships.
373.7 Authority.
373.8 Delegations of authority.

AUTHORITY: Pub. L. 95–452 and 10 U.S.C., chapter 4.

SOURCE: 48 FR 36247, Aug. 10, 1983, unless otherwise noted.

§ 373.1 Purpose.

This part implements the provisions of Pub. L. 95–452, which establishes the position of Inspector General (IG) and the Office of the Inspector General (OIG) in the Department of Defense, and sets forth responsibilities, functions, authorities, and relationships as outlined below.

§ 373.2 Applicability and scope.

(a) This part applies to the Office of the Secretary of Defense (OSD), the Military Departments, the Organizations of the Joint Chiefs of Staff (OJCS), the Unified and Specified Commands, and the Defense Agencies (hereinafter referred to as ''DoD Components'').

(b) Its provisions cover all programs and operations administered or financed by the Department of Defense.

§ 373.3 Mission.

As an independent and objective office in the Department of Defense, the OIG shall:

(a) Conduct, supervise, monitor, and initiate audits and investigations relating to programs and operations of the Department of Defense.

(b) Provide leadership and coordination and recommend policies for activities designed to promote economy, efficiency, and effectiveness in the administration of, and to prevent and detect fraud and abuse in, such programs and operations.

(c) Provide a means for keeping the Secretary of Defense and the Congress fully and currently informed about problems and deficiencies relating to the administration of such programs and operations and the necessity for and progress of corrective action.

§ 373.4 Organization and management.

(a) The IG, a civilian appointed by the President, with the advice and consent of the Senate, shall serve as head of the OIG.

[1] Copies may be obtained, at cost, from the National Technical Information Service, U.S. Department of Commerce, 5285 Port Royal Road, Springfield, VA 22161.

(b) The IG, in accordance with applicable laws and regulations governing the civil service, shall:

(1) Appoint a Deputy Inspector General, who shall serve as IG in his or her absence.

(2) Appoint an Assistant Inspector General for Auditing who shall supervise the performance of auditing activities relating to programs and operations of the Department of Defense.

(3) Appoint an Assistant Inspector General for Investigations who shall supervise the performance of investigative activities relating to programs and operations of the Department of Defense.

(4) Select, appoint, and employ such other officers and employees as may be necessary to carry out the mission, functions, responsibilities, and authorities assigned herein.

(c) The OIG shall consist of organizational elements established by the IG within the resources assigned by the Secretary of Defense or by statute.

(d) The Secretaries of the Military Departments or their designees shall assign military personnel to the OIG in accordance with approved authorizations and established procedures for assignments to joint duty.

(e) The Secretary of Defense shall provide the OIG with appropriate and adequate office space at central and field office locations together with such equipment, office supplies, and communications facilities and services as may be necessary for the operation of the OIG, and shall provide necessary maintenance services for offices and equipment and facilities located therein.

§ 373.5 Responsibilities and functions.

(a) The *Inspector General, Department of Defense,* shall:

(1) Be the principal adviser to the Secretary of Defense on all audit and criminal investigative matters covered under Pub. L. 95–452 and for matters relating to the prevention and detection of fraud, waste, and abuse in the programs and operations of the Department of Defense.

(2) Initiate, conduct, and supervise such audits and investigations in the Department of Defense, including the Military Departments, as the IG considers appropriate.

(3) Provide policy direction for audits and investigations relating to fraud, waste, and abuse and program effectiveness.

(4) Evaluate and review the work of all DoD activities relating to contract audit, internal audit, internal review, military exchange audit, and independent public accountant audit service programs.

(5) Investigate fraud, waste, and abuse uncovered as a result of contract and internal audits, as the IG considers appropriate.

(6) Develop policy, monitor and evaluate program performance, and provide guidance with respect to all DoD activities relating to criminal investigation programs.

(7) Monitor and evaluate the adherence of DoD auditors to internal audit, contract audit, and internal review principles, policies, and procedures.

(8) Develop policy, evaluate program performance, and monitor actions taken by all DoD Components in response to contract audits, internal audits, internal review reports, and audits conducted by the Comptroller General of the United States.

(9) Monitor and give particular regard to the activities of the internal audit, inspection, and investigative units of DoD Components (including those of the Military Departments) with a view toward avoiding duplication and insuring effective coverage, coordination, and cooperation.

(10) Provide policy direction for and conduct, supervise, and coordinate audits and investigations relating to DoD programs and operations.

(11) Review existing and proposed legislation and regulations relating to DoD programs and operations and make recommendations thereon in accordance with section 4(a)(2) of Pub. L. 95–452 concerning their impact on economy and efficiency or on the prevention and detection of fraud and abuse in DoD programs and operations.

(12) Recommend policies for and conduct, supervise, or coordinate other activities carried out or financed by the Department of Defense for the purpose of promoting economy and efficiency in the administration of, or preventing

and detecting fraud and abuse in, its programs and operations.

(13) Recommend policies for and conduct, supervise, or coordinate relationships between the Department of Defense and other Federal agencies, State and local governmental agencies, and nongovernmental entities with respect to:

(i) All matters relating to the promotion of economy and efficiency in the administration of, or the prevention and detection of fraud and abuse in, programs and operations administered or financed by the Department of Defense; or

(ii) The identification and prosecution of participants in such fraud or abuse.

(14) Keep the Secretary of Defense and Congress fully and currently informed concerning fraud and other serious problems, abuses, and deficiencies relating to the administration of programs and operations administered or financed by the Department of Defense, recommend corrective action concerning such problems, abuses, and deficiencies, and report on the progress made in implementing such corrective action.

(15) Receive and investigate, consistent with Section 7 of Pub. L. 95–452 and DoD Directive 7050.1 complaints or information concerning the possible existence of an activity constituting a violation of law, rules, or regulations, or mismanagement, gross waste of funds, or abuse of authority, or a substantial and specific danger to the public health and safety involving the Department of Defense.

(16) Organize, direct, and manage the OIG and all resources assigned thereto.

(17) Perform other duties as assigned by the Secretary of Defense.

(b) The *Secretaries of the Military Departments* shall maintain authority, direction, and operational control over their audit, inspection, and investigative organizations, including responsibility for their effectiveness and the scope of their activities.

(c) The *Assistant Secretary of Defense (Comptroller)* shall maintain authority, direction, and operational control over the Defense Contract Audit Agency including responsibility for the effectiveness and scope of the Agency's activities.

§ 373.6 Relationships.

(a) The IG shall carry out the above responsibilities and functions under the general supervision of the Secretary of Defense and shall not be prevented or prohibited from initiating, carrying out, or completing any audit or investigation, or from issuing any subpoena during the course of any audit or investigation; except that the IG shall be subject to the authority, direction, and control of the Secretary with respect to audits, investigations, or the issuances of subpoenas that require access to information concerning:

(1) Sensitive operational plans.

(2) Intelligence matters.

(3) Counterintelligence matters.

(4) Ongoing criminal investigations by other administrative units of the Department of Defense related to national security.

(5) Other matters the disclosure of which would constitute a serious threat to national security.

(b) If the Secretary of Defense exercises the authority to restrict IG access under paragraph (a) of this section, the IG shall submit a statement concerning such exercise within 30 days to the Committees on Armed Services and Governmental Affairs of the Senate and the Committees on Armed Services and Government Operations of the House of Representatives and to other appropriate committees or subcommittees.

(c) In the performance of assigned responsibilities and functions, the IG shall:

(1) Coordinate actions, as he or she deems appropriate, with other DoD Components and, unless precluded by the nature of the matter, notify the Secretaries of the Military Departments concerned before conducting audits or investigations of matters normally under the jurisdiction of the Military Departments.

(2) Give particular regard to the activities of the Comptroller General of the United States with a view toward avoiding duplication and insuring effective coordination and cooperation.

(3) Coordinate, as appropriate, with the Under Secretary of Defense for Policy and the Assistant to the Secretary of Defense (Intelligence Oversight) on matters relating to their respective areas of responsibility.

(4) Report expeditiously to the Attorney General whenever the IG has reasonable grounds to believe there has been a violation of Federal criminal law.

(5) Report expeditiously to the Military Department Secretary concerned any suspected or alleged violations of the Uniform Code of Military Justice.

§373.7 Authority.

In addition to the authorities delegated in Pub. L. 95–452, the IG is hereby delegated authority to:

(a) Issue DoD instructions, DoD publications, and one-time, directive-type memoranda, consistent with DoD 5025.1–M that implement policies approved by the Secretary of Defense in assigned areas of responsibility. Instructions shall be issued directly to elements of the OSD and the Defense Agencies. Instructions to the Military Departments shall be issued through the Secretaries of those Departments or their designees. Instructions to the Unified and Specified Commands shall be issued through the JCS.

(b) Have access to all records, reports, investigations, audits, reviews, documents, papers, recommendations, or other material available to any DoD Component. These normally shall be obtained consistent with DoD Directive 5000.19.

(1) Except as specifically denied in writing by the Secretary of Defense pursuant to the authority contained in Section 8 of Pub. L. 95–452 and §373.6(a), above, no officer, employee, or service member of any DoD Component may deny the IG, or officials assigned by the IG, access to information, or prevent them from conducting an audit or investigation.

(2) IG officials shall possess proper access security clearance when sensitive classified data are requested.

(c) Communicate directly with personnel of other DoD Components on matters related to Pub. L. 95–452 and this part. To the extent practicable and consistent with the responsibilities and functions of the Military Departments as described in §373.5(b), above, the head of the DoD Component concerned shall be kept informed of such direct communications.

(d) Request assistance as needed from other audit, inspection, and investigative units of DoD Components. In such cases, assistance shall be requested through the head of the DoD Component concerned.

(e) Request information or assistance from any Federal, State, or local governmental agency, or unit thereof.

(f) Exercise the administrative authorities contained in §373.8.

§373.8 Delegations of authority.

Pursuant to the authority vested in the Secretary of Defense, and in accordance with DoD policies, Directives, and Instructions, the Inspector General (IG) of the Department of Defense or, in the absence of the IG, the person acting for him or her, is hereby delegated authority, as required in the administration and operation of the Office of the Inspector General (OIG) to:

(a) Fix rates of pay for wage board employees exempted from Title 5 U.S. Code, section 5102(c)(7), on the basis of rates established under the Coordinated Federal Wage System. In fixing those rates, the wage schedules established by DoD wage-fixing authority shall be followed.

(b) Establish advisory committees and employ part-time advisors for the performance of OIG functions pursuant to Title 10 U.S. Code 173(a).

(c) Administer oaths of office incident to entrance into the Executive Branch of the Federal Government or any other oath required by law in connection with employment therein, in accordance with Title 5 U.S. Code, section 2903(b), and designate in writing other officers and employees of the OIG to perform this function. Administer oaths as provided by Title 5 U.S. Code 303.

(d) Establish an OIG Incentive Awards Board and pay cash awards to and incur necessary expenses for the honorary recognition of OIG civilian employees whose suggestions, inventions, or superior acts or service benefit or affect the OIG or its subordinate activities in accordance with Title 5

U.S. Code 4503, and Office of Personnel Management (OPM) regulations.

(e) Perform the following functions in accordance with the provisions of Title 5 U.S. Code 7532; Executive Order 10450, ''Security Requirements for Government Employment,'' April 27, 1953; and DoD 5200.2–R, ''DoD Personnel Security Program,'' December 20, 1979:

(1) Designate any position in the OIG as a ''sensitive'' position.

(2) Authorize, in case of an emergency, the appointment of a person to a sensitive position in the OIG for a limited period of time for whom a full field investigation or other appropriate investigation, including the National Agency Check, has not been completed.

(3) Authorize the suspension, but not the termination, of the services of an OIG employee in the interest of national security.

(f) Clear OIG personnel and other individuals, as appropriate, for access to classified DoD material and information in accordance with the provisions of DoD 5200.2–R and Executive Orders 10450 and 12356, ''National Security Information,'' April 2, 1982.

(g) Act as agent for the collection and payment of employment taxes imposed by Chapter 24, section 3401, of the Internal Revenue Code of 1954 and, as such agent, make all determinations and certifications required or provided under Title 26 U.S. Code 3122, and Title 42 U.S. Code 405(p) (1) and (2), with respect to OIG employees.

(h) Authorize and approve overtime work for OIG civilian personnel in accordance with Title 5 U.S. Code, subchapter V, chapter 55, and § 550.11 of the OPM regulations.

(i) Authorize and approve:

(1) Travel for OIG civilian personnel in accordance with Volume 2, Department of Defense Civilian Personnel, Joint Travel Regulations.

(2) Temporary duty travel only for military personnel assigned to or detailed to the OIG in accordance with Volume 1, Joint Travel Regulations.

(3) Invitational travel to persons serving without compensation whose consultative, advisory, or highly specialized technical services are required in a capacity that is directly related to or in connection with OIG activities, pursuant to Title 5 U.S. Code 5703, and Part A, Chapter 6, Volume 2, Joint Travel Regulations.

(j) Approve the expenditure of funds available for travel by military personnel assigned or detailed to the OIG for expenses incident to attendance at meetings of technical, scientific, professional, or other similar organizations in such instances where the approval of the Secretary of Defense, or designee, is required by law (Title 37 U.S. Code 412). This authority cannot be redelegated.

(k) Develop, establish, and maintain an active and continuing Records Management Program under DoD Directive 5015.2, ''Records Management Program,'' September 17, 1980; and parts 286 and 286a of this title.

(l) Establish and use imprest funds for making small purchases of material and services, other than personal, for the OIG when it is determined more advantageous and consistent with the best interests of the government, in accordance with DoD Instruction 5100.71, ''Delegation of Authority and Regulations Relating to Cash Held at Personal Risk Including Imprest Funds,'' March 5, 1973, and the Joint Regulation of the General Services Administration/Treasury Department/General Accounting Office, ''For Small Purchases Utilizing Imprest Funds.''

(m) Authorize the publication of advertisements, notices, or proposals in newspapers, magazines, or other public periodicals as required for the effective administration and operation of the OIG (Title 44 U.S. Code 3702).

(n) Establish and maintain appropriate property accounts for the OIG and appoint boards of survey, approve reports of survey, relieve personal liability, and drop accountability for OIG property contained in the authorized property accounts that has been lost, damaged, stolen, destroyed, or otherwise rendered unserviceable, in accordance with applicable laws and regulations.

(o) Issue the necessary security regulations for the protection of property and places under the jurisdiction of the IG, under DoD Directive 5200.8, ''Security of Military Installations and Resources,'' July 29, 1980.

(p) Establish and maintain, for the functions assigned, an appropriate publications system for the promulgation of common supply and service regulations, instructions, and reference documents, and changes thereto, consistent with DoD 5025–1M, ''Department of Defense Directives System Procedures,'' April 1981.

(q) Enter into support and service agreements with the Military Departments, other DoD Components, or other governement agencies as required for the effective performance of responsibilities and functions assigned to the OIG.

(r) Authorize OIG personnel to carry firearms in accordance with DoD Directive 5210.66, ''Carrying of Firearms by Department of Defense Personnel,'' May 31, 1979.

(s) Exercise original Top Secret classification authority.

(t) Issue credentials and other identification to employees of the OIG.

(u) The Inspector General may redelegate these authorities, in writing, except as otherwise specifically indicated above or as otherwise provided by law or regulation.

PART 376—DEPARTMENT OF DEFENSE SUPPORT ACTIVITIES (DSAs)

Sec.
376.1 Purpose.
376.2 Applicability.
376.3 Definitions.
376.4 Policy.
376.5 Responsibilities.

APPENDIX A TO PART 376—LIST OF DEPARTMENT OF DEFENSE SUPPORT ACTIVITIES (DSAs)

AUTHORITY: 10 U.S.C. 131.

SOURCE: 56 FR 65421, Dec. 17, 1991, unless otherwise noted.

§376.1 Purpose.

Under the authority vested in the Secretary of Defense by Title 10, United States Code, this part:

(a) Establishes DSAs as an organizational category within the Department.

(b) Prescribes policy and assigns responsibilities under which DSAs shall operate.

§376.2 Applicability.

This part applies to the Office of the Secretary of Defense (OSD), the Military Departments, the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Unified and Specified Commands, the Inspector General of the Department of Defense, the Defense Agencies, and the DoD Field Activities (hereafter referred to collectively as ''the DoD Components'').

§376.3 Definitions.

(a) *Department of Defense Support Activity (DSA).* An organizational entity of the Department of Defense whose primary mission is to perform technical and/or analytical support functions for the OSD. A DSA must satisfy all of the following criteria:

(1) Function under the direction, authority, and control of an OSD Principal Staff Assistant.

(2) Perform technical and/or analytical support functions in specific areas of interest—as distinct from the normal OSD functions of developing policy, managing resources, and evaluating and overseeing programs.

(3) Have a primary organizational mission to perform assigned functions for a designated OSD Principal Staff Assistant(s)—as distinct from organizations whose primary mission is to provide support for all or several DoD Components.

(4) Be organizationally located outside the OSD and within another DoD Component for appropriate organizational, management, or efficiency reasons.

(5) Receive manpower, operational funding, and other administrative support from the DoD Component in which the DSA is located.

(b) *OSD Principal Staff Assistant(s).* The Under Secretaries of Defense, the Director of Defense Research and Engineering, the Assistant Secretaries of Defense, the General Counsel of the Department of Defense, the Comptroller of the Department of Defense, the Assistants to the Secretary of Defense, and the OSD Directors or equivalents who report directly to the Secretary or Deputy Secretary of Defense.

§ 376.4 Policy.

A DSA shall be established in accordance with this part when it is the most efficient and effective organizational alternative for accomplishing essential technical and/or analytical support functions for an OSD Principal Staff Assistant, and shall be organized and staffed in a manner that permits the effective accomplishment of assigned responsibilities with a minimum number of personnel. To provide a framework for implementing this policy, the Director of Administration and Management shall maintain:

(a) A DoD-wide definition and criteria for DSAs.

(b) An approved list of DSAs.

(c) A procedure for establishing, disestablishing, and modifying the organization of a DSA(s).

(d) A common method of accounting for DSA personnel, and for separately and visibly describing DSA support funding and costs within the DoD budget.

§ 376.5 Responsibilities.

(a) The Director of Administration and Management, Office of the Secretary of Defense, shall:

(1) Be the DoD approval authority, with concurrence by the Assistant Secretary of Defense (Force Management and Personnel) (ASD(FM&P)) and the Comptroller of the Department of Defense (C, DoD), for requests from OSD Principal Staff Assistants to establish or disestablish a DSA(s), or to change the mission and functions of an existing DSA. Approval will be subject to funding and manpower availability, along with other relevant factors.

(2) Be the DoD approval authority for requests from an OSD Principal Staff Assistant to increase the overall funding level for DSA(s) under that official's sponsorship. Increases that would add to the overall funding level of the separate DSA budget line in the O&M Defense Agencies Appropriation are subject to fund availability, and shall be addressed through the normal budget process.

(3) Maintain, monitor, and revise, as necessary, the official list of DSAs in appendix A to this part.

(4) Conduct periodic reviews to evaluate the continuing requirement for existing DSAs, and to ensure that the DoD components are accounting for DSAs in accordance with this part.

(b) The Assistant Secretary of Defense (Force Management and Personnel) shall review DSA manpower authorizations and issue guidance to ensure compliance with manpower levels established by the Secretary of Defense or by law.

(c) The Comptroller of the Department of Defense shall:

(1) Establish a separate DSA budget activity in the O&M Defense Agencies Appropriation.

(2) Review DSA supporting resource data contained in requests from OSD Principal Staff Assistants to establish a DSA(s), and in subsequent DSA budget submissions.

(3) Ensure that all funds required to support a DSA are separately and visibly described and justified in the budget of the DoD Component designated to provide administrative support to that DSA.

(d) The OSD Principal Staff Assistants shall:

(1) Forward requests for establishing or disestablishing a DSA(s), or for modifying the organization of an existing DSA (if changes to currently approved manpower for funding levels are required), to the Director, Administration and Management (DA&M), OSD for approval. Recommendations for establishing a DSA shall include: Assignment of DSA responsibilities, functions, relationships, authorities; identification of funding support and other resources to be allocated; appropriate organizational, management, or efficiency justification for establishing the DSA outside the OSD organizational structure; and designation of the DoD Component that will provide manpower, operational funding, and other administrative support to the DSA.

(2) When approved, establish the DSA in accordance with this part, and ensure that the DSA is efficiently organized and staffed.

(3) Exercise authority, direction, and control over the DSA(s) assigned to their respective offices.

(4) Ensure appropriate internal management controls are established for

DSAs assigned to their office, in accordance with DoD Directive 5010.38[1].

(5) Ensure all personnel assigned to a DSA under their authority are accounted for as OSD Management Headquarters Support personnel, in accordance with DoD Directive 5100.73[2].

(6) Be the approval authority for reallocations between personnel and nonpersonnel funds within a single DSA under their authority, and for reprogramming funds between DSAs under their authority, as long as the overall funding level for those DSAs is not exceeded and no other DoD reprogramming restrictions are in effect. Requests for increases that would add to the overall funding level of the DSAs under thier authority shall be referred to the DA&M, OSD for approval, consistent with paragraph (a)(2) of this section.

(7) As required, develop a memorandum of understanding (MOU) with the DoD Component designated to provide administrative support to a DSA(s) assigned to their office. MOUs shall comply with this part and, as a minimum, include supervisory, policymaking, and operating instructions, and establish required administrative controls.

(e) The Heads of the DoD Components designated to provide support to a DSA shall:

(1) Provide manpower and operational funding to the assigned DSA(s).

(2) Provide full administrative support to the assigned DSA(s) in accordance with this part and any implementing MOU that may be completed with the sponsoring OSD Principal Staff Assistant. In the case of the Defense Logistics Agency, administrative support to the assigned DSAs shall be provided on a reimbursable basis; the necessary additional funding to accommodate this requirement will be included in the appropriate DSA budget.

(3) Account for all personnel assigned to a DSA as OSD Management Headquarters Support personnel, maintain DSA manpower strength data by category of personnel (military and civilian), and report the data, under DoD Directive 5100.73, as a separate ''OSD DSA'' item in the Future Years Defense Program using Defense Planning and Programming Category program element code ending in ''98.''

(4) Submit a DoD Management Headquarters Exhibit (PB–22) and a Reconciliation of Increases and Decreases Exhibit (OP–5) which specifically identify the assigned DSA(s) to the C, DoD, in accordance with DoD 7110.1–M[3].

(5) Ensure all DSA manpower requirements and budget documentation are appropriately coordinated with and approved by the sponsoring OSD Principal Staff Assistant, prior to submission to cognizant OSD officials.

(6) Ensure all funds required to support the DSA are separately and visibly described and justified in the Component budget.

APPENDIX A TO PART 376—LIST OF DEPARTMENT OF DEFENSE SUPPORT ACTIVITIES (DSAS)

DoD support activity	OSD sponsor (OSD principal staff assistant)	DoD component responsible for administrative support
1. Defense Technology Analysis Office	Director, Defense Research & Engineering (DDR&E).	Defense Logistics Agency (DLA).
2. Intelligence Program Support Group	Assistant Secretary of Defense (Command, Control, Communications & Intelligence).	Defense Intelligence Agency (DIA).
3. Defense Productivity Program Office	ASD (FM&P)	DLA.
4. Defense Manpower Data Center	ASD (FM&P)	DLA.

[1] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

[2] See footnote 1 to §367.5(d)(4).

[3] Copies may be obtained, by written requests, to the Office of the Assistant Secretary of Defense (Public Affairs), room 2C757, Pentagon, Washington, DC 20301.

DoD support activity	OSD sponsor (OSD principal staff assistant)	DoD component responsible for administrative support
5. Defense Training & Performance Data Center	ASD(FM&P)	DLA.
6. DoD Civilian Personnel Systems Center	ASD(FM&P)	DLA.
7. Vulnerability & Analysis Branch, Military Studies & Analysis Division, Joint Data Systems Support Center, Defense Information Systems Agency (DISA).	Assistant Secretary of Defense (Program Analysis & Evaluation).	DISA.
8. Defense Installations Support Office	Assistant Secretary of Defense (Production & Logistics) (ASD(P&L)).	DLA.
9. Defense Analysis & Studies Office	ASD(P&L)	DLA.
10. Defense Environment Support Office	ASD(P&L)	DLA.
11. Management Support Center (Includes Administrative Support Office)	ASD(P&L)	DLA.
12. Defense Logistics Support Office	ASD(P&L)	DLA.
13. Defense Procurement Support Office	USD(A)	DLA.
14. Defense Production Resources Support Office	ASD(P&L)	DLA.
15. Defense Systems & Programs Office	ASD(P&L)	DLA.
16. Total Quality Management Support Office	Under Secretary of Defense (Acquisition).	DLA.

PART 377—DEFENSE INVESTIGATIVE SERVICE (DIS)

Sec.
377.1 Reissuance and purpose.
377.2 Applicability.
377.3 Organization and management.
377.4 Functions.
377.5 Responsibilities.
377.6 Relationships.

APPENDIX A TO PART 377—DELEGATIONS OF AUTHORITY

AUTHORITY: 10 U.S.C. chapter 4.

SOURCE: 52 FR 41993, Nov. 2, 1987, unless otherwise noted. Redesignated at 58 FR 39360, July 22, 1993.

§ 377.1 Reissuance and purpose.

This part revises 32 CFR part 377 and, pursuant to the authority vested in the Secretary of Defense under title 10, U.S. Code assigns direction, authority, and control over the Defense Investigative Service (DIS) to the Deputy Under Secretary of Defense for Policy (DUSD(P)), and prescribes the organization and management, functions, responsibilities, relationships, and authorities described in the following.

§ 377.2 Applicability.

This part applies to the Office of the Secretary of Defense, the Military Departments, the Organization of the Joint Chiefs of Staff, the Unified and Specified Commands, and the Defense Agencies (hereafter referred to collectively as ''DoD Components'').

§ 377.3 Organization and management.

(a) The DIS is a separate agency of the Department of Defense under the direction, authority, and control of the DUSD(P).

(b) The DIS shall consist of a Director, appointed by the Secretary of Defense, a management headquarters; a Defense Industrial Security Clearance Office (DISCO); a Personnel Investigations Center (PIC); a Defense Security Institute; and such subordinate units and field activities as are established by the Director, DIS, or as assigned to the DIS by the Secretary of Defense. Subordinate units and field activities may be located overseas in support of the industrial security mission.

(c) The DIS shall be authorized such personnel, facilities, funds, and other administrative support as the Secretary of Defense deems necessary.

(d) Military personnel may be assigned to the DIS from the Military Departments in accordance with approved authorizations and established procedures for assignment to joint duty.

§ 377.4 Functions.

The DIS is a law enforcement, personnel security investigative, and industrial security agency and shall:

(a) Provide a single, centrally directed personnel security investigative service to conduct personnel security investigations for DoD Components within the United States and its Trust Territories and, when authorized by

the DUSD(P), for other U.S. Government departments and agencies. The DIS shall request the Military Departments, or when appropriate other U.S. Government activities, to accomplish investigative requirements assigned to it in other geographic areas.

(b) Operate a consolidated Personnel Security Investigations Center in accordance with DoD Directive 5200.27[1].

(c) Manage the Defense Central Index of Investigations.

(d) Administer the Defense Industrial Security Program (DISP) under DoD 5220.22–R.

(e) Operate the DISCO as a consolidated central facility to process industrial personnel security clearances.

(f) Administer the Defense Industrial Facilities Protection Program (DIFPP) under DoD Directive 5160.54[2].

(g) Provide inspection policy and procedures essential to assess DoD contractor compliance with DoD physical security requirements for the protection of sensitive conventional arms, ammunition and explosives (AA&E) under DoD Instruction 5220.30[3].

(h) As authorized by the DUSD(P) and under 32 CFR part 213 provide support for law enforcement investigations involving DoD personnel, facilities, or contractors conducted by authorized investigative agencies of the Military Departments, Inspector General, Department of Defense (IG, DoD), the Federal Bureau of Investigation, or other Federal investigative agencies.

(i) Conduct investigations of unauthorized disclosure of classified information not under the jurisdiction of the Military Departments and other investigations as the DUSD(P) may direct.

(j) Review criminal history record information at police local, State, or Federal law enforcement agencies; and related record repositories, as required.

(k) Conduct surveys and prepare analyses and estimates of managed programs.

(l) Provide administrative and computer support to the Defense Integrated Management Information System (DIMIS).

(m) Maintain an official seal and attest to the authenticity of official DIS records under that seal.

[52 FR 41993, Nov. 2, 1987. Redesignated and amended at 58 FR 39360, July 22, 1993]

§377.5 Responsibilities.

(a) The *Director, Defense Investigative Service*, shall:

(1) Organize, direct, and manage the DIS and all assigned resources.

(2) Establish standards and procedures for certification and accreditation of DIS personnel assigned to perform investigative and industrial security duties.

(3) Provide for industrial security and personnel security investigative training for DIS personnel and information and industrial security training for DoD and other U.S. Government personnel, employees of U.S. Government contractors, and selected foreign governments.

(4) Program, budget, account for, and report the activities of the DIS in accordance with the policies and procedures established by the Secretary of Defense.

(5) Refer to the appropriate civilian and military investigative agency matters developed as a result of DIS investigations that involve alleged criminal misconduct or have a significant intelligence or counterintelligence aspect.

(6) Under normal circumstances, refer alleged criminal activity by DIS personnel to the Office of the Assistant Inspector General for Investigations (OAIG–INV), DoD who shall make referral to the Department of Justice (DoJ). If the OAIG–INV or DoJ decline investigative jurisdiction, the Director shall assign DIS personnel to conduct an investigation and determine appropriate administrative action to be taken.

(7) Administer the DISP, DIFPP, and the AA&E Programs.

(8) Develop, publish, and implement procedures under the policy guidance and general supervision of the DUSD(P) with respect to the DISP, DIFPP, and AA&E Programs.

(9) Arrange, conduct, and participate in meetings, seminars, and conferences

[1] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

[2] See footnote 1 to §377.4(b).

[3] See footnote 1 to §377.4(b).

between industry, industrial and professional associations, international organizations, foreign governments, and the Department of Defense and other U.S. Government agencies concerning all aspects of industrial security.

(10) Administer the Security C1assification Management Program in industry under E.O. 10865 and E.O. 12356, including promulgation of policy, regulatory provisions, educational requirements, and resolution of problems.

(11) Under the general supervision and approval of the DUSD(P), prepare and publish Industrial Security Letters and Industrial Security Bulletins.

(12) Obtain reports, information advice, and assistance, consistent with DoD Directive 5000.19[4] as may be necessary for the performance of assigned functions and responsibilities.

(13) Ensure that all allegations of wrongdoing directed against DIS employees are promptly and thoroughly reviewed, evaluated, and processed in accordance with Office of Personnel Management (OPM), DoD, and DIS regulations, instructions, directives and where applicable, Federal statutes.

(b) The *Heads of DoD Components* shall cooperate with and assist the Director, DIS, by providing access to information within their respective fields as required for the DlS to carry out functions assigned by this part.

(c) The *Secretaries of the Military Departments* shall ensure that the overseas military investigative agencies provide prompt responses to DIS personnel security lead requests in order to expedite personnel security investigative matters within the DIS.

[52 FR 41993, Nov. 2, 1987. Redesignated and amended at 58 FR 39360, July 22, 1993]

§ 377.6 Relationships.

The Director, DIS, shall carry out the above responsibilities under the direction, authority and control of the DUSD(P) and shall:

(a) Maintain liaison with other DoD Components, law enforcement agencies, industry, professional associations, academies, international organizations, foreign governments, and other agencies for the exchange of information in the field of assigned responsibility and shall render assistance, as appropriate, within the limits of established policy.

(b) Maintain a close working relationship with industrial representatives to encourage industry participation and cooperation in the furtherance of the DISP.

(c) Use existing DoD facilities and services whenever practical to achieve maximum efficiency.

APPENDIX A TO PART 377—DELEGATIONS OF AUTHORITY

The Director, DIS, or in the absence of the Director, a person acting for the Director, is hereby delegated, subject to the direction, authority, and control of the DUSD(P), and in accordance with DoD policies, directives, and instructions, and pertinent publications, authority as required in the administration and operation of the DIS to:

1. In accordance with 5 U.S.C. 302 and 3101, employ, direct, and administer DIS civilian personnel.

2. Fix rates of pay for wage board employees exempt from 5 U.S.C. chapter 51, on the basis of rates established under the Coordinated Federal Wage System. In fixing those rates, the wage schedules established by DoD Wage Fixing Authority shall be followed.

3. Establish advisory committees and part-time advisors for the performance of DIS functions pursuant to 10 U.S.C. 173, and to hire Branch of the Federal government or any other oath required by law in connection with employment therein, in accordance with 5 U.S.C. 2903(b), and to designate in writing other officers and employees of the DIS to perform this function or to administer oaths incident to any investigation conducted by the DIS.

5. Establish a DIS Incentive Awards Board and pay cash awards to, and incur necessary expenses for, the honorary recognition of civilian employees of the government whose suggestions, inventions, superior accomplishments, or other personal efforts, including special acts or services, benefit or affect the DIS or its subordinate activities in accordance with 5 U.S.C. 4503, and Office of Personnel Management regulations.

6. Perform the following functions in accordance with 5 U.S.C. 7532; Executive Order 10450, April 27, 1953; and DoD 5200.2–R, February 1984.

a. Designate the security sensitivity of positions within the DIS.

b. Authorize, in the case of an emergency, the appointment of a person to a sensitive position in the DIS for a limited period of time for whom a full field investigation or

[4] See footnote 1 to § 377.4(b).

other appropriate investigation, including the National Agency Check, has not been completed.

c. Authorize the suspension and, when authorized by the DUSD(P), terminate the services of a DIS employee in the interests of national security.

7. Clear DIS personnel and such other individuals as may be appropriate for access to classified DoD material and information in accordance with the provisions of DoD 5200.2–R. As an exception, the personnel security investigation of individuals who are incumbents of, or are proposed for, Senior Executive Service positions within the DIS as Director, Deputy Director (Investigations), or Deputy Director (Industrial Security), shall be conducted by a non-DIS investigative agency designated by the DUSD(P). Similarly, the results of such investigations shall be adjudicated by a non-DIS authority designated by the DUSD(P).

8. Act as an agent for the collection and payment of employment taxes imposed by chapter 21 of the Internal Revenue Code of 1954, and, as such agent, make all determinations and certifications required or provided under 26 U.S.C. 3122 and 42 U.S.C. 405(p) (1) and (2), with respect to DIS personnel.

9. Authorize and approve overtime work for DIS personnel in accordance with the provisions of §550.111 of the OPM Regulations.

10. Authorize and approve:

a. Travel for DIS personnel in accordance with the Joint Travel Regulations (JTR), Volume 2, Department of Defense civilian personnel.

b. Temporary duty travel for military personnel assigned or detailed to the DIS in accordance with JTR, Volume 1, Members of the Uniformed Services.

c. Invitational travel to persons serving without compensation whose consultative, advisory, or highly specialized technical services are required in a capacity that is directly related to, or in connection with, DIS activities, pursuant to 5 U.S.C. 5703.

11. Approve the expenditure of funds available for travel by military personnel assigned or detailed to DIS for expenses incident to attendance at meetings of technical, scientific, professional or other similar organizations in such instances where the approval of the Secretary of Defense or his designee is required by law (37 U.S.C. 412, 5 U.S.C. 4110 and 4111). This authority cannot be redelegated.

12. Develop, establish, and maintain an active and continuing Records Management Program under 44 U.S.C. 3102 and DoD Directive 5015.2, September 17, 1980.

13. Enter into and administer contracts, directly or through a DoD Component, or other Government department or agency, as appropriate, for supplies, equipment, and services required to accomplish the mission of the DIS. To the extent that any law or Executive Order specifically limits the exercise of such authority to persons at the secretarial level or a Military Department, such authority will be exercised by the Assistant Secretary of Defense (Manpower, Installations, and Logistics).

14. Establish and use imprest funds for making small purchases of material and services, other than personal, for the DIS when it is determined it is more advantageous and consistent with the best interests of the government, in accordance with the provisions of DoD Instruction 5100.71, March 5, 1973.

15. Authorize the publication of advertisements, notices, or proposals in public periodicals as required for the effective administration and operations of the DIS pursuant to 44 U.S.C. 3702.

16. Establish and maintain appropriate property accounts for DIS. Appoint Boards of Survey, approve reports of survey, relieve personal liability, and drop accountability for DIS property contained in the authorized property accounts that has been lost, damaged, stolen, destroyed, or otherwise rendered unserviceable, in accordance with applicable laws and regulations.

17. Promulgate the necessary security regulations for the protection of property and activities under the jurisdiction of the Director, DIS, pursuant to DoD Directive 5200.8, July 29, 1980.

18. Develop and maintain DoD publications and changes thereto, consistent with DoD 5025.1–M, April 1981.

19. Enter into support and service agreements with the Military Departments, other DoD Components, or other Government agencies as required for the effective performance of responsibilities and functions assigned to the DIS.

20. Issue appropriate implementing documents and establish internal procedures to ensure that the selection and acquisition of automated data processing resources are conducted in accordance with DoD Directive 7920.1, October 17, 1978; the Federal Property Management regulations; and the Federal Acquisition Regulation.

The Director, DIS, may redelegate these authorities, as appropriate, and in writing, except as otherwise specifically indicated above or as otherwise provided by law or regulation.

PART 378—ASSISTANT TO THE SECRETARY OF DEFENSE FOR INTELLIGENCE OVERSIGHT (ATSD(IO))

Sec.

378.1 Purpose.
378.2 Applicability.
378.3 Definition.
378.4 Responsibilities and functions.

378.5 Relationships.
378.6 Authorities.

AUTHORITY: 10 U.S.C. 113.

SOURCE: 59 FR 43475, Aug. 24, 1994, unless otherwise noted.

§ 378.1 Purpose.

Under the authority vested in the Secretary of Defense by 10 U.S.C. 113, this part updates the responsibilities, functions, relationships, and authorities of the ATSD(IO), as prescribed herein.

§ 378.2 Applicability.

This part applies to the Office of the Secretary of Defense (OSD), the Military Departments, the Chairman of the Joint Chiefs of Staff, the Unified Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, and the DoD Field Activities (hereafter referred to collectively as ''the DoD Components'').

§ 378.3 Definition.

Propriety. Refers to the standards for intelligence activities promulgated in Executive orders, Presidential Directives, and DoD Directives. Other terms used herein are defined in E.O. 12333, 3 CFR, 1981 Comp., p. 200; DoD Directive 5240.1 [1], and DoD 5240.1–R [2].

§ 378.4 Responsibilities and functions.

The Assistant to the Secretary of Defense for Intelligence Oversight shall be responsible for the independent oversight of all intelligence activities in the Department of Defense. In this capacity, the ATSD(IO) shall ensure that all activities performed by intelligence units and all intelligence activities performed by non-intelligence units, are conducted in compliance with Federal law and other laws as appropriate, Executive orders and Presidential Directives, and DoD Directives System issuances. In the exercise of this responsibility, the ATSD(IO) shall:

(a) Develop intelligence oversight policy and, in coordination with the General Counsel of the Department of Defense (GC, DoD), issue intelligence oversight guidance to the DoD intelligence components, including regulatory guidance implementing intelligence oversight aspects of E.O. 12333.

(b) Review, in consultation with the GC, DoD, all allegations that raise questions of the legality or propriety of intelligence activities in the Department of Defense.

(c) Investigate intelligence activities that raise questions of legality or propriety.

(d) Conduct vigorous and independent inspections of the DoD Components that engage in intelligence activities for the purpose of verifying that personnel are familiar and in compliance with E.O. 12333 and its DoD implementing documents. At the request of senior leadership of the Department, and as practicable, the ATSD(IO) will assess and evaluate the performance of DoD's intelligence activities during the course of scheduled inspections and site visits. Reports in these areas of special interest will be provided to the requesting official and the Secretary of Defense for information.

(e) Monitor investigations and inspections conducted by the DoD Components related to intelligence activities, evaluate the findings and, if appropriate, submit recommendations for corrective action to the Secretary and Deputy Secretary of Defense.

(f) Report the following to the Secretary and Deputy Secretary of Defense, and the Intelligence Oversight Board of the President's Foreign Intelligence Advisory Board, established under E.O. 12863, 3 CFR, 1993 Comp., p. 632, at least quarterly, in consultation with the GC, DoD:

(1) Any significant oversight activities undertaken; and

(2) Any DoD intelligence activities of questionable legality or propriety, the investigative action on them, an evaluation of completed investigations, and the action taken on completed investigations.

(g) Participate as a member of the Defense Counterintelligence Board (DoD Directive 5240.2 [3]).

[1] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

[2] See footnote 1 to § 378.3.

[3] See footnote 1 to § 378.3

(h) Pursuant to DoD Directive 5240.12[4], review and conduct an annual financial audit of all funds generated by DoD Intelligence Commercial Activities, and report the results to the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence.

(i) Review DoD clandestine intelligence activities to ensure compliance with special constraints and controls.

(j) Evaluate the effectiveness of the DoD intelligence components' efforts to protect HUMINT sources, in accordance with DoD Directive S–5205.1[5].

(k) Participate in the Sensitive Reconnaissance Operations approval process.

(l) Conduct liaison with Federal intelligence and law enforcement agencies (e.g., Central Intelligence Agency, Federal Bureau of Investigation, and Drug Enforcement Administration) at the national level and field locations, as required, to ensure DoD intelligence activities and DoD intelligence support to law enforcement agencies are being conducted properly.

(m) Review the DoD sensitive support provided to the DoD Components and other Federal Agencies, pursuant to DoD Directive S–5210.36[6], to ensure compliance with DoD policy.

(n) Coordinate, as appropriate, with the DoD Inspector General (DoD IG) on matters relating to the DoD IG's area of responsibility in accordance with DoD Directive 5106.1[7].

(o) Perform such other functions as the Secretary of Defense may prescribe.

§378.5 Relationships.

(a) In the performance of assigned responsibilities and functions, the ATSD(IO) shall serve under the authority, direction, and control of the Secretary of Defense, and shall:

(1) Report directly to the Secretary and Deputy Secretary of Defense.

(2) Coordinate and exchange information with other OSD officials, heads of the DoD Components, and other Federal officials having collateral or related functions.

(3) Use existing facilities and services of the Department of Defense and other Federal Agencies, when practicable, to avoid duplication and to achieve maximum efficiency and economy.

(b) Other OSD officials and heads of the DoD Components shall coordinate with the ATSD(IO) on all matters related to the responsibilities and functions cited in §378.4.

§378.6 Authorities.

The ATSD(IO) is hereby delegated authority to:

(a) Obtain reports, information, advice, and assistance, consistent with DoD Directive 8910.1[8], as necessary, in carrying out assigned functions.

(b) Communicate directly with the heads of the DoD Components and, with notification to the Chairman of the Joint Chiefs of Staff, to the Commanders of the Unified Combatant Commands, as necessary, in carrying out assigned functions.

(c) Request such temporary assistance from the DoD Components as may be required for the conduct of inspections or investigations, to include personnel, facilities, and other services. Requests for needed support shall be made in accordance with established procedures.

(d) Communicate directly with the Intelligence Oversight Board of the President's Foreign Intelligence Advisory Board, the Director of Central Intelligence, other Federal officials, representatives of the legislative branch, members of the public, and representatives of foreign governments, as appropriate, in carrying out assigned functions.

(e) Have complete and unrestricted access to all available intelligence-related information, regardless of classification or compartmentation, from all DoD Components and personnel, as required, in carrying out assigned functions. This includes specifically the authority to:

(1) Require an Inspector General or other cognizant investigative official of a DoD Component to report allegations of improprieties or illegalities of

[4] See footnote 1 to §378.3

[5] Classified document, not releaseable to the public.

[6] See footnote 5 to §378.4(j).

[7] See footnote 1 to §378.3.

[8] See footnote 1 to §378.3

intelligence activities by, or within, a DoD Component; and

(2) Obtain information on the status, proceedings, and findings or to obtain copies of reports of investigations of such allegations.

(f) Deal directly with the head of the element inspected or investigated, conduct interviews, take depositions, and examine records incident to an inspection or investigation of any DoD Component, as required, in carrying out assigned functions.

PART 380—DIRECTOR OF OPERATIONAL TEST AND EVALUATION

Sec.
380.1 Purpose.
380.2 Definitions.
380.3 Policy.
380.4 Responsibilities.
380.5 Functions.
380.6 Relationships.
380.7 Authorities.

AUTHORITY: 10 U.S.C. 136.

SOURCE: 49 FR 17937, Apr. 26, 1984, unless otherwise noted.

§380.1 Purpose.

This part:

(a) Implements section 136a of title 10 U.S.C. which establishes the position of Director of Operational Test and Evaluation (Director, OT&E).

(b) Assigns responsibilities, functions, relationships, and authorities, as prescribed herein, to the Director, OT&E, pursuant to the authority vested in the Secretary of Defense under title 10 U.S.Code.

§380.2 Definitions.

(a) *DoD Components.* The Office of the Secretary of Defense (OSD); the Military Departments; the Organization of the Joint Chiefs of Staff (OJCS); the Unified and Specified Commands; the Office of the Inspector General, Department of Defense; and the Defense Agencies. The term ''Military Services'' as used herein, refers to the Army, the Navy, the Air Force, and the Marine Corps.

(b) *Independent Test Agency.* The Army Operational Test and Evaluation Agency, the Navy Operational Test and Evaluation Force, the Air Force Operational Test and Evaluation Command, and the Marine Corps Operational Test and Evaluation Agency.

(c) *Low Rate Initial Production (LRIP).* The production of a system in limited quantity to be used in OT&E for verification of production engineering and design maturity and to establish a production base.

(d) *Major Defense Acquisition Program.* As specified in section 136a of title 10 U.S.Code.

(1) A DoD acquisition program that is not a highly sensitive classified program (as determined by the Secretary of Defense) and:

(i) That is designated by the Secretary of Defense as a major defense acquisition program; or

(ii) That is estimated by the Secretary of Defense to require an eventual total expenditure for research, development, test, and evaluation of more than 200 million dollars (based on fiscal year 1980 constant dollars) or an eventual total expenditure for procurement of more than 1 billion dollars (based on fiscal year 1980 constant dollars).

(2) A DoD acquisition program that is so designated by the Director, OT&E, for the purpose of carrying out the responsibilities, functions, and authorities of this Directive.

(e) *Operational Test and Evaluation.* The field test, under realistic combat conditions, of any item of (or key component of) weapons, equipment, or munitions for the purpose of determining the effectiveness and suitability of the weapons, equipment, or munitions for use in combat by typical military users; and the evaluation of the results of such test.

§380.3 Policy.

(a) Within the Department of Defense it is recognized that operational testing is the continuum of realistic, operational field tests conducted by a Military Service independent test agency. Operational testing begins during the development period before a final decision to proceed beyond low rate initial production. this continuum of tests will employ increasing operational realism as engineering design nears its final form to provide an independent measure of development progress and

of the ultimate operational effectiveness and suitability of weapon systems, equipment, or munitions, or their components. Operational testing of production (or production-representative) articles is intended to confirm that the items actually tested are effective and suitable for combat.

(b) A follow-on phase or phases of operational testing on production systems, equipment, or munitions, or their components are normally conducted after the decision is made to proceed beyond low rate initial production to assess the operational effectiveness and suitability of any changes made in the systems, equipment, or munitions, or their components.

§380.4 Responsibilities.

The *Director of Operational Test and Evaluation* shall serve as the Principal Staff Assistant and advisor to the Secretary of Defense on OT&E in the Department of Defense and the principal OT&E official within the senior management of the Department of Defense. In this capacity, the Director, OT&E, shall:

(a) Prescribe policies and procedures for the conduct of OT&E within the Department of Defense.

(b) Provide advice and make recommendations to the Secretary of Defense, and issue guidance to and consult with the heads of the DoD Components with respect to OT&E in the Department of Defense in general, and with respect to specific OT&E to be conducted in connection with a major defense acquisition program.

(c) Designate selected special interest weapons, equipment, or munitions as major defense acquisition programs, as the Director, OT&E considers appropriate to carry out section 136a of title 10 U.S.C. and the responsibilities functions, and authorities assigned to the Director, OT&E under this part. Such a designation applies exclusively to the implementation of section 136a of title 10 U.S.C and this part, and does not extend to other purposes for which the term may be used outside of this context.

(d) Develop systems and standards for the administration and management of approved OT&E plans for major defense acquisition programs.

(e) Monitor and review all OT&E in the Department of Defense to ensure adherence to approved policies and standards.

(f) Coordinate operational testing conducted jointly by more than one DoD Component.

(g) Coordinate Joint Operational Test and Evaluation (JOT&E) programs to obtain information pertinent to operational doctrine, tactics, and procedures.

(h) Initiate plans, programs, actions, and taskings to ensure that OT&E for major defense acquisition programs is designed to evaluate the operational effectiveness and suitability of U.S. military weapon systems.

(i) Review and make recommendations to the Secretary of Defense on all budgetary and financial matters relating to OT&E, including operational test facilities and equipment.

(j) Review and report to the Secretary of Defense on the adequacy of operational test planning, priorities, support resources, execution, evaluation, and reporting for major defense acquisition programs while avoiding unnecessary duplication.

(k) Promote coordination, cooperation, and mutual understanding within the Department of Defense and between the Department of Defense and other federal agencies, state, local and foreign governments, and the civilian community with regard to OT&E matters.

(l) Serve on boards, committees, and other groups pertaining to assigned OT&E, and represent the Secretary of Defense on OT&E matters outside the Department of Defense.

(m) Execute such other related responsibilities as the Secretary of Defense may prescribe.

§380.5 Functions.

The Director, OT&E, shall carry out the responsibilities described in §380.4, above, for all aspects of OT&E, to include the following functions:

(a) OT&E programs of the DoD Components, to include their operational test facilities and resources and the coordination of Military Service OT&E activities.

(b) JOT&E programs and Joint Military Service operational testing.

(c) Analysis of OT&E results on all major defense acquisition programs.

(d) Review of budget submissions to determine the adequacy of OT&E funding.

(e) Approval of OT&E sections of the DoD Test and Evaluation Master Plan (TEMP) for major defense acquisition programs.

(f) Review of new major system requirements documents, system concept papers, decision coordinating papers and, if appropriate, integrated program summaries for OT&E implications.

(g) Enhancement of operational test realism.

(h) Development and administration of an OT&E data base.

§ 380.6 Relationships.

(a) In the performance of assigned functions, the Director, OT&E, shall:

(1) Report directly to the Secretary and Deputy Secretary of Defense without intervening review or approval.

(2) Provide guidance to and consult with the Secretary and Deputy Secretary of Defense and the Secretaries of the Military Departments with respect to OT&E in the Department of Defense in general and with respect to specific OT&E activities to be conducted in connection with major defense acquisition programs.

(3) Cooordinate and exchange information with officials of DoD Components exercising collateral or related functions. In particular, the Director, OT&E, shall consult closely with, but be independent of, the Under Secretary of Defense for Research and Engineering.

(4) Use existing facilities and services of the Department of Defense or other federal agencies, and allied countries whenever practicable, to avoid duplication and to achieve maximum realism.

(5) Serve as a permanent member of the Defense Systems Acquisition Review Council and the Defense Resources Board for the purpose of carrying out the principles and policies of DoD Directive 5000.1 and DoD Instruction 5000.2 and DoD Directives System issuances pertaining to test and evaluation activities.

(b) Other OSD officials and heads of DoD Components shall coordinate on all OT&E matters as prescribed herein.

(c) The Secretaries of the Military Departments shall report promptly to the Director, OT&E, the results of all OT&E conducted by the Military Departments and on all studies conducted by the Military Departments in connection with their OT&E activities.

§ 380.7 Authorities.

The Director, OT&E, is hereby delegated authority to:

(a) Issue DoD Instructions, DoD publications, and one-time directive-type memoranda, consistent with DoD Directive 5025.1–M that implement policies approved by the Secretary of Defense in order to carry out the functions assigned to the Director, OT&E. Instructions to the Military Departments shall be issued through the Secretaries of those Departments or their designees. Instructions to Unified and Specified Commands shall be issued through the JCS.

(b) Obtain reports, information, advice, and assistance, consistent with DoD Directive 5000.19 as necessary in carrying out assigned functions. Have access to all records and data in the DoD (including those of each DoD Component) that the Director, OT&E, considers necessary to review in order to carry out assigned functions.

(c) Act as prior approval authority for OT&E section of the TEMPS and for OT&E funding for each major defense acquisition program. Operational testing of a major defense acquisition program may not be conducted until the Director, OT&E, has approved in writing the adequacy of the plans, including the adequacy of projected levels of funding and resources for OT&E to be conducted in connection with that program.

(d) Require, as the Director, OT&E, determines necessary, that observers designated by the Director, OT&E, be present during the preparation for and the conduct of the test part of any OT&E conducted by DoD Components.

(e) Monitor and review all OT&E conducted in the Department of Defense and analyze the results of OT&E conducted for each major defense acquisition program.

(1) The Director, OT&E, shall submit a report to the Secretary of Defense

and to the Committees on Armed Services and on Appropriations of the Senate and House of Representatives that addresses specifically:

(i) The adequacy of the test and evaluation performed; and

(ii) Whether the results confirm the effectiveness and combat suitability of the items or components actually tested.

(2) Copies of the report will be provided to appropriate DoD officials and Components to facilitate the development of comments by the Secretary of Defense.

(3) A final decision to proceed with a major defense acquisition program beyond low rate initial production may not be made until the report has been submitted to the Secretary of Defense and received by the Armed Services and Appropriations Committees.

(f) Prepare an annual report for the Secretary of Defense and the Congress by January 15 of each year summarizing the OT&E activities of the Department of Defense during the preceding fiscal year.

(1) The report shall include such comments and recommendations as the Director, OT&E, considers appropriate, including comments and recommendations on resources and facilities available for OT&E and levels of funding made available for OT&E activities.

(2) Copies of this report shall be provided to appropriate DoD officials and Components to facilitate comments by the Secretary of Defense, if desired.

(g) Communicate directly with the heads of DoD Components. Communications to commanders of the Unified and Specified Commands shall be coordinated with the JCS.

(h) Arrange for DoD participation in nondefense governmental programs for which the Director, OT&E, is assigned primary DoD cognizance.

(i) Communicate with other government agencies, representatives of the Legislative Branch, and members of the public, as appropriate, in carrying out assigned functions.

PART 381—DEFENSE NUCLEAR AGENCY

Sec.

381.1 Purpose.
381.2 Mission.
381.3 Organization and management.
381.4 Responsibilities and functions.
381.5 Relationships.
381.6 Authorities.
381.7 Administration.

APPENDIX TO PART 381—DELEGATIONS OF AUTHORITY

AUTHORITY: 10 U.S.C. chapter 8.

SOURCE: 56 FR 6274, Feb. 15, 1991, unless otherwise noted.

§381.1 Purpose.

This part updates the responsibilities, functions, relationships, and authorities, as prescribed herein.

§381.2 Mission.

(a) The Defense Nuclear Agency (DNA) shall provide support to the Office of the Secretary of Defense (OSD); the Military Departments; the Chairman, Joint Chiefs of Staff and Joint Staff; the Unified and Specified Commands; the Defense Agencies; and the DoD Field Activities (hereafter referred to collectively as ''DoD Components''); and other Federal Agencies on matters concerning nuclear weapons, nuclear weapons system acquisitions, nuclear weapons effects on weapons systems and forces, and nuclear weapons safety and security.

(b) During wartime and international crises, in accordance with national priorities and, as directed by the Director, Defense Research and Engineering (DDR&E), the DNA shall redirect its resources to support the Chairman, Joint Chiefs of Staff (CJCS) and the Commanders of the Unified and Specified Commands in analyzing nuclear weapons planning and action options, and reconstituting nuclear forces.

§381.3 Organization and management.

The DNA is established as a separate agency of the Department of Defense, and shall be under the direction, authority, and control of the DDR&E. It shall consist of a Director and such subordinate organizational elements as are established by the Director within the resources authorized by the Secretary of Defense.

§381.4 Responsibilities and functions.

The Director, DNA, shall:

(a) Organize, direct, and manage the DNA and all assigned resources.

(b) Maintain the national nuclear weapons stockpile data bases during peace, crisis, and war. Maintain overall surveillance and provide guidance, coordination, advice, or assistance concerning all nuclear weapons in DoD custody including questions on production, composition, allocation, deployment, movement, storage, security and safety, maintenance, quality assurance and reliability assessment, report procedures, and retirement.

(c) Manage the DoD nuclear weapons effects research and test program.

(d) Conduct, as directed by DDR&E, research, development, test, and evaluation programs for on-site inspection technology related to arms control treaty verification.

(e) Conduct research, through exploratory development and/or proof of principle, in coordination with the Military Departments and other appropriate DoD Components and Federal Agencies, to develop technologies and techniques to improve the security, survivability, testing, employment, and effectiveness of nuclear systems, and the nuclear survivability of space, military, and communications systems.

(f) Provide advice and assistance on matters concerning nuclear weapons, nuclear weapons systems, effects of nuclear weapons, the technologies to determine the vulnerability and survivability of military systems and installations, and related arms control matters to DoD Components and Federal Agencies. Coordinate on appropriate Test and Evaluation Master Plans (TEMPs) for systems that have nuclear survivability requirements.

(g) Jointly manage the national nuclear test readiness program with the Department of Energy (DoE) and perform associated technical, operational, and safety planning. Maintain access to facilities necessary to resume aboveground testing.

(h) Act as the central coordinating agency within the Department of Defense on nuclear weapons stockpile data base management, nuclear effects testing, and nuclear effects research within approved policies and programs, and pertinent DoD–DoE agreements.

(i) Provide technical assistance and support to the Secretary of Defense, the Military Departments, and the CJCS in developing nuclear weapons system safety, surety, security, explosive ordnance disposal, and use-control standards, requirements, and operating procedures. Provide a member to joint DoD/DoE nuclear weapons system studies and reviews. Coordinate on proposed nuclear weapons safety rules and changes.

(j) Provide emergency response support and planning assistance to the DoD Components and other Federal Agencies as follows:

(1) Develop policies and procedures to respond to a nuclear weapon accident or improvised nuclear device (IND) incident. Conduct nuclear weapon accident and IND incident command post and field exercizes.

(2) Establish and maintain joint committees to coordinate exercise schedules and to ensure that actions are taken to correct identified deficiencies.

(3) Establish and maintain a Joint Nuclear Accident Coordinating Center (JNACC), in conjunction with DoE and a DNA Advisory Team, to assist On-Scene Commanders and Defense Senior Representatives.

(4) Act as the central coordinating agency for the Department of Defense on nuclear weapon accident and IND incident response.

(k) Maintain and provide nuclear weapons stockpile information to the DoD Components and other Federal Agencies, as required.

(l) Conduct, for the CJCS, nuclear weapons technical inspections of units having responsibilities for assembling, maintaining, or storing nuclear weapon systems, their associated components, and ancilliary equipment.

(m) Provide nuclear weapons quality assurance program oversight for the Department of Defense.

(n) Provide logistics management support for nuclear weapons under DoD control, including:

(1) Integrated materiel management functions for all specially designed and quality controlled nuclear ordnance items and, as appropriate, for Military Department-designed and quality controlled nuclear ordnance items.

(2) Manage that portion of the Federal Cataloging Program pertaining to nuclear ordnance items, including the maintenance of the central data bank and the publication of Federal Supply Catalogs and Handbooks for all nuclear ordnance items.

(3) Control the standardization of nuclear ordnance items in coordination with the appropriate Military Department.

(4) Manage a technical logistics data and information program.

(5) Serve as Inventory Control Manager of stockpile support items, and manage the DoD–DoE logistics supply interface.

(6) Manage the DoD–DoE loan account for nuclear materials.

(o) Assist the DDR&E and the Assistant to the Secretary of Defense for Atomic Energy in representing the Department of Defense in its relations with the DoE on all policy matters relating to the administration and operation of the Joint Nuclear Weapons Publication System. Coordinate with DoE on Nuclear Weapon Accident Directives.

(p) In support of the DoD Components, perform technical analyses, studies, research, and development on:

(1) Technologies for treaty verification options, including procurement, and associated impacts with regard to arms control and nuclear test limitations.

(2) Technical and employment options for new nuclear weapons, including the relationship of advanced conventional munitions to these options.

(3) The effects of nuclear weapons on command, control, and communications systems improvements that may be needed to ensure reliable operation of forces.

(4) The effect of technology on nuclear force structure, operations, and political-military constraints.

(5) Technologies that would enhance the security, survivability and effectiveness of nuclear systems at both the strategic and theater levels; and evaluation of tactics, doctrine, force postures, operations, and training in order to better direct the DNA nuclear-related programs.

(6) Techniques for assessing and evaluating alternate nuclear operations and tactics.

(7) Broad military applications of atomic energy.

(q) Conduct joint programs involving, as appropriate, the Defense Advanced Research Projects Agency (DARPA), other DoD Components, and Allied Commands in matters regarding DNA-developed technologies. This includes test, evaluation, and demonstration of appropriate technologies.

(r) Disseminate technological information of joint interest relating to nuclear technology, development, and weapons, through laboratory liaison, technical reports, and nuclear weapons technical publications. Assist in technology transfer and implementation of successful research programs into the Military Departments and Allied Commands.

(s) Perform technical analyses, studies, and research on non-nuclear matters of critical importance to the Department of Defense where DNA has unique capabilities developed as part of its nuclear responsibilities.

(t) Conduct research in the field of radiobiology and related matters, essential to the operational and medical support of the DoD Components, through the Armed Forces Radiobiology Research Institute (AFRRI). The research shall be an integral part of the DoD medical and life sciences research, development, test, and evaluation program.

(u) Operate the Joint Atomic Information Exchange Group (JAIEG) in accordance with policy guidance furnished jointly by the Assistant to the Secretary of Defense for Atomic Energy (ATSD(AE)) for the Department of Defense and the Director for Military Applications for the DoE.

(v) Develop guidelines and criteria for the advice of the Defense Acquisition Board in evaluating the adequacy of system nuclear survivability.

(w) Be responsible for all matters relating to nuclear test programs and records to include preservation of vital test data and records acquired during past U.S. and other nuclear effects tests.

(x) Be responsible for the Nuclear Test Personnel Review.

(y) Maintain national-level oversight for the Site Folder Project and establish an exercise program for validation of site folders.

(z) Maintain DoD-level oversight of DoD nuclear weapons effects simulators.

(aa) Perform such other functions as may be assigned by the DDR&E.

§ 381.5 Relationships.

(a) In performing assigned functions, the Director, DNA, shall:

(1) Subject to the direction, authority, and control of the DDR&E, be responsible to the CJCS for operational matters as well as requirements associated with the joint planning process. For these purposes, the CJCS is authorized to communicate directly with the Director, DNA, and may task the Director, DNA, to the extent authorized by the DDR&E.

(2) Maintain appropriate liaison with other DoD Components and other Agencies of the Executive Branch for the exchange of information on programs and activities in the field of assigned responsibilities.

(3) Make use of established facilities and services in the Department of Defense or other governmental agencies, whenever practicable, to achieve maximum efficiency and economy.

(4) Ensure that the Secretary of Defense, the Deputy Secretary of Defense, the Secretaries of the Military Departments, the CJCS, and the heads of other DoD Components are kept fully informed of DNA activities with which they have substantive concern.

(5) Use data from nuclear tests performed by other countries, or provided by the intelligence community, to obtain information in designing U.S. nuclear forces and assisting the Unified and Specified Commands in target planning.

(6) Coordinate with other officials of the Department of Defense, as appropriate.

(b) The Secretaries of the Military Departments, CJCS, Commanders of Unified and Specified Commands, and Heads of other DoD Components shall:

(1) Provide support, within their respective fields of responsibilities, to the Director, DNA, as required, to carry out the responsibilities and functions assigned to the DNA.

(2) Provide information, as necessary, to the Director, DNA, on all programs and activities that include, or are related to, nuclear weapons effects research, nuclear effects testing, or nuclear weapons accident response as well as the safety, security, and survivability of nuclear weapons systems and forces.

(3) Keep the Director, DNA, informed as to the substance of major actions being coordinated with other DoD Components, the DoE and its laboratories, and other Federal Agencies that relate to DNA functions.

(4) Provide the Director, DNA, with information regarding long-term nuclear weapons development and requirements for nuclear weapons research and testing. This specifically includes keeping the Director, DNA, informed concerning systems response to nuclear weapons effects, and the security, safety, and survivability of nuclear systems and forces.

(c) The CJCS shall review and assess the adequacy of DNA efforts in nuclear weapons testing and nuclear weapons effects research that are related directly to systems employed in joint operations, and in support required for the execution of operational plans of the Unified and Specified Commands.

§ 381.6 Authorities.

The Director, DNA, is specifically delegated authority to:

(a) Communicate directly with heads of DoD Component and other Executive Departments and Agencies, as necessary, in carrying out assigned responsibilities and functions. Communications to the Commanders in Chief of the Unified and Specified Commands shall be coordinated with the CJCS.

(b) Obtain reports, information, advice, and assistance from other DoD Components, consistent with DoD Directive 7750.5,[1] as necessary, in carrying out assigned responsibilities and functions.

[1] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

(c) Establish facilities necessary to accomplish the DNA mission in the most efficient and economical manner.

(d) Exercise the administrative authorities contained in the appendix to this part.

§ 381.7 Administration.

(a) The Director, and Deputy Director, DNA, shall be appointed by the Secretary of Defense.

(b) The Military Departments shall assign military personnel to the DNA in accordance with approved Joint Manpower Program authorizations and procedures for assignment to joint duty. The CJCS shall review and provide recommendations on the DNA Joint manpower program to the DDR&E, as appropriate, for those functions where DNA is responsive to CJCS.

APPENDIX TO PART 381—DELEGATIONS OF AUTHORITY

Pursuant to the authority vested in the Secretary of Defense, and subject to the direction, authority, and control of the Secretary of Defense, and in accordance with DoD policies, Directives, and Instructions, the Director, DNA, or in the absence of the Director, the person acting for the Director, is hereby delegated authority as required in the administration and operation of DNA to:

1. Exercise the powers vested in the Secretary of Defense by 5 U.S.C. 301, 302(b), and 3101 pertaining to the employment, direction, and general administration of DNA civilian personnel.

2. Fix rates of pay for wage-rate employees exempted from the Classification Act of 1949 by 5 U.S.C. 5102 on the basis of rates established under the Coordinated Federal Wage System. In fixing such rates, the Director, DNA, shall follow the wage schedule established by the DoD Fixing Authority.

3. Establish advisory committees and employ part-time advisors, as approved by the Secretary of Defense, for the performance of DNA functions consistent with 10 U.S.C. 173; 5 U.S.C. 3109(b); DoD Directive 5105.4[1] ''DoD Federal Advisory Committee Management Program,'' September 5, 1989; and the agreement between the Department of Defense and the Office of Personnel Management (OPM) on employment of experts and consultants, June 21, 1977.

4. Administer oaths of office incident to entrance into the Executive Branch of the Federal Government or any other oath required by law in connection with employment therein, in accordance with 5 U.S.C. 2903, and designate in writing, as may be necessary, officers and employees of DNA to perform this function.

5. Establish a DNA Incentive Awards Board and pay cash awards to, and incur necessary expenses for the honorary recognition of, civilian employees of the Government whose suggestions, inventions, superior accomplishments, or other personal efforts, including special acts or services, benefit or affect the DNA or its subordinate activities, in accordance with 5 U.S.C. 4503 and applicable OPM regulations.

6. In accordance with the provisions of 5 U.S.C. 7532; Executive Orders 10450, 12333, and 12356; and DoD Directive 5200.2[2] ''DoD Personnel Security Program,'' December 20, 1979; as appropriate:

a. Designate any position in DNA as a ''sensitive'' position.

b. Authorize, in case of an emergency, the appointment of a person to a sensitive position in the DNA for a limited period of time for whom a full field investigation or other appropriate investigation, including the National Agency Check (NAC), has not been completed.

c. Authorize the suspension but not terminate the services of a DNA employee in the interest of national security.

d. Initiate investigations, issue personnel security clearances and, if necessary, in the interest of national security, suspend, revoke, or deny a security clearance for personnel assigned, detailed to, or employed by the DNA. Any action to deny or revoke a security clearance shall be taken in accordance with procedures prescribed in DoD 5200.2–R[3], ''DoD Personnel Security Program,'' January 1987.

7. Act as agent for the collection and payment of employment taxes imposed by chapter 21 of the Internal Revenue Code of 1954, as amended; and, as such agent, make all determinations and certifications required or provided for under section 3122 of the Internal Revenue Code of 1954, as amended, and section 205(p) (1) and (2) of the Social Security Act, as amended (42 U.S.C. 405(p) (1) and (2)) and with respect to DNA employees.

8. Authorize and approve:

a. Temporary duty travel for military personnel assigned or detailed to the DNA in accordance with Volume I, Joint Federal Travel Regulations.

b. Travel for DNA civilian officers and employees in accordance with Volume II, Joint Travel Regulations.

[1] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

[2] See footnote 1 to paragraph 3 of this appendix.

[3] See footnote 1 to paragraph 3 of this appendix.

c. Invitational travel to non-DoD employees whose consultative, advisory, or other highly specialized technical services are required in a capacity that is directly related to, or in connection with, DNA activities, in accordance with Volume II, Joint Travel Regulations.

d. Overtime work for DNA civilian employees in accordance with 5 U.S.C. chapter 55, subpart V, and applicable OPM regulations.

9. Approve the expenditure of funds available for travel by military personnel assigned or detailed to the DNA for expenses incident to attendance at meetings of technical, scientific, professional, or other similar organizations in such instances where the approval of the Secretary of Defense, or designee, is required by 37 U.S.C. 412, and 5 U.S.C. 4110 and 4111. This authority cannot be redelegated.

10. Develop, establish, and maintain an active and continuing Records Management Program pursuant to 44 U.S.C. 3102 and DoD Directive 5015.2[4], ''Records Management Program,'' September 17, 1980.

11. Establish and use imprest funds for making small purchases of material and services, other than personal services, for the DNA, when it is determined more advantageous and consistent with the best interests of the Government, in accordance with DoD Directive 7360.10[5], ''Disbursing Policies,'' January 17, 1989.

12. Authorize the publication of advertisments, notices, or proposals in newspapers, magazines, or other public periodicals as required for the effective administration and operation of DNA consistent with 44 U.S.C. 3702.

13. Establish and maintain appropriate property accounts for DNA, and appoint Boards of Survey, approve reports of survey, relieve personal liability, and drop accountability for DNA property contained in the authorized property accounts that has been lost, damaged, stolen, destroyed, or otherwise rendered unserviceable, in accordance with applicable laws and regulations.

14. Promulgate the necessary security regulations for the protection of property and places under the jurisdiction of the Director, DNA, pursuant to DoD Directive 5200.8[6], ''Security of Military Installations and Resources,'' July 29, 1980.

15. Establish and maintain, for the functions assigned, an appropriate publications system for the promulgation of common supply and service regulations, instructions, and reference documents and changes thereto, pursuant to the policies and procedures prescribed in DoD 5025.1–M[7], ''DoD Directives System Procedures,'' December 1990.

16. Enter into support and service agreements with the Military Departments, other DoD Components, or other Federal Agencies, as required for the effective performance of DNA functions and responsibilities.

17. Enter into and administer contracts, directly or through a Military Department, a DoD contract administration services component, or other Federal Agency, as appropriate, for supplies, equipment, and services required to accomplish the mission of the DNA. To the extent that any law or Executive order specifically limits the exercise of such authority to persons at the Secretarial level of the Military Department, such authority shall be exercised by the appropriate Under Secretary or Assistant Secretary of Defense.

18. Lease property under the control of DNA under terms that will promote the national defense or that will be in the public interest, pursuant to 10 U.S.C. 2667.

The Director, DNA, may redelegate these authorities, as appropriate, and in writing, except as otherwise specifically indicated above or as otherwise provided by law or regulation.

[4] See footnote 1 to paragraph 3 of this appendix.

[5] See footnote 1 to paragraph 3 of this appendix.

[6] See footnote 1 to paragraph 3 of this appendix.

[7] See footnote 1 to paragraph 3 of this appendix.

PART 382—UNDER SECRETARY OF DEFENSE (ACQUISITION)

Sec.
382.1 Purpose.
382.2 Definitions.
382.3 Responsibilities.
382.4 Functions.
382.5 Authorities and relationships.

APPENDIX TO PART 382—DELEGATIONS OF AUTHORITY

AUTHORITY: 10 U.S.C. 133.

SOURCE: 55 FR 49888, Dec. 3, 1990, unless otherwise noted.

§ 382.1 Purpose.

This part, pursuant to 10 U.S.C., assigns responsibilities, functions, relationships, and authorities as prescribed herein, to the Under Secretary of Defense (Acquisition) (USD(A)). This part also strengthens the ability of the USD(A) to improve the efficiency and effectiveness of DoD acquisition.

§382.2 Definitions.

(a) *Department of Defense Acquisition System.* A single uniform system whereby all equipment, facilities, and services are planned, designed, developed, acquired, maintained, and disposed of within the Department of Defense. The system encompasses establishing and enforcing policies and practices that govern acquisitions, to include documenting mission needs and establishing performance goals and baselines; determining and prioritizing resource requirements for acquisition programs; planning and executing acquisition programs; directing and controlling the acquisition review process; developing and assessing logistics implications; contracting; monitoring the execution status of approved programs; and reporting to Congress.

(b) *DoD Components.* The Office of the Secretary of Defense (OSD); the Military Departments; the Joint Chiefs of Staff (JCS); the Joint Staff; the Unified and Specified Commands; the Office of the Inspector General, Department of Defense (OIG, DoD); the Defense Agencies, to include the Strategic Defense Initiative Organization (SDIO); and DoD Field Activities.

§382.3 Responsibilities.

The Under Secretary of Defense for Acquisition (USD(A)) is the principal staff assistant and advisor to the Secretary of Defense for all matters relating to the DoD Acquisition System; research and development; production; logistics; command, control, communications, and intelligence activities related to acquisition; military construction; and procurement.

(a) The USD(A) shall:

(1) Serve as the Defense Acquisition Executive (DAE) with full responsibility for supervising the performance of the DoD Acquisition System and enforcing the policies and practices contained in DoD Directive 5000.1,[1] DoD Instruction 5000.2,[2] OMB Circular No. A–109.[3]

(2) Chair the Defense Acquisition Board (DAB), supported by an integrated structure of acquisition-related committees, and, pursuant to §382.5(c) of this part, serve as signatory authority on Acquisition Decision Memoranda documenting Milestone reviews by the DAB.

(3) Serve as the DoD Procurement Executive, with responsibilities as prescribed in E.O. 12352 of March 17, 1982 (3 CFR, 1982 Comp., p. 137) and 41 U.S.C. 401–424.

(4) Chair the DoD Ethics Council, with responsibilities as prescribed in DoD Directive 5120.47[4].

(5) Serve as the National Armaments Director and Secretary of Defense representative to the Four Power Conference.

(6) Establish and publish policies and procedures governing the operations of the DoD Acquisition System and the administrative oversight of defense contractors.

(7) Prescribe policies, in coordination with the IG, DoD, and the Comptroller of the Department of Defense (C, DoD), to ensure that audit and oversight of contractor activities are coordinated and carried out in a manner to prevent duplication by different elements of the Department. The exercise of this responsibility shall not affect the authority of the IG under the Inspector General Act of 1978.

(8) Coordinate research and development programs DoD-wide to eliminate duplication of effort and ensure that available resources are used to maximum advantage.

(9) Establish policies and programs that strengthen DoD Component technology development programs, encourage technical competition and technology-driven prototyping that promise increased military capabilities, and exploit the cost-reduction potential of innovative or commercially developed technologies.

[1] Copies may be obtained, at cost, National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

[2] See footnote 1 to §382.3(a)(1).

[3] Copies may be obtained by written request to: EOP Publications, 725 Seventeenth Street NW., Washington, DC 20503.

[4] See footnote 1 to §382.3(a)(1).

(10) Develop acquisition plans, strategies, guidance, and assessments, including affordability assessments and investment area analyses, in support of the acquisition Milestone review and Planning, Programming, and Budgeting System (PPBS) processes.

(11) Administer the Defense Acquisition Executive Summary (DAES) and Cost/Schedule Control System Criteria (C/SCSC) systems.

(12) Designate major defense acquisition programs as either DAB or Component programs, sign congressional certifications and reports to include Milestone authorization breaches, administer the Selected Acquisition Report (SAR) and Unit Cost Report (UCS) systems, and exercise the other specific authorities provided for in the delegations of authority contains in appendix to this part.

(13) Develop, in coordination with the Under Secretary of Defense for Policy (USD(P)), memoranda of agreements and memoranda of understandings with friendly and Allied Nations relating to acquisition matters.

(14) Establish policies for maintenance of the defense industrial base.

(15) Supervise the management and performance of the Strategic and Critical Defense Materials Program pursuant to E.O. 12626 of February 25, 1988 (3 CFR, 1988 Comp., p. 552).

(16) Establish policies, in coordination with the Assistant Secretary of Defense (Force Management and Personnel) (ASD(FM&P)), for the training and career development of acquisition personnel.

(17) Advise the Secretary of Defense and the Deputy Secretary of Defense on technical and programmatic issues arising in Defense Planning and Resources Boards matters.

(b) For each assigned area identified in § 382.4, the USD(A) shall:

(1) Direct planning and analyses activities to assess the technical, economic, and military worth of specific acquisition programs and investment areas.

(2) Establish policies, systems, and standards that promote more effective and efficient administration and management of acquisition resources, and monitor the execution of approved programs to ensure available resources are being applied in accordance with established policies and standards.

(3) Review and evaluate DoD Component plans, programs, and budget submissions to ensure adherence to established priorities, policies and procedures, standards, and resource guidance; and, as appropriate, develop recommended alternatives for Secretary and Deputy Secretary of Defense consideration during all phases of the PPBS process.

(4) Promote coordination, cooperation, and mutual understanding of all matters related to assigned activities, both inside and outside the Department of Defense.

(5) Serve as primary focal point and principal spokesman for the Department of Defense; serve on boards, committees, and other groups pertaining to assigned functional areas; and represent the Secretary of Defense and the Deputy Secretary of Defense on USD(A) matters outside the Department of Defense.

(6) Establish and maintain management information and reporting systems.

(7) Perform such other duties as the Secretary or Deputy Secretary of Defense may prescribe.

§ 382.4 Functions.

The USD(A) shall carry out the responsibilities described in § 382.3, for the following functional areas:

(a) Acquisition management.

(b) Basic and applied research and the defense technology base.

(c) Design and engineering, and the development of weapon systems.

(d) Command, control, communications, and intelligence programs, systems, and activities related to acquisition.

(e) Logistics acquisition and management, to include supply systems, spares program management, weapons systems logistics elements, items standardization, transportation, energy, warehousing, distribution, and related activities.

(f) Procurement activities.

(g) Scientific and technical information.

(h) Production and manufacturing.

(i) Industrial base resources and productivity.

(j) Force modernization and sustainability and the availability of fielded major weapons systems.

(k) Developmental test and evaluation, as defined in DoD Directive 5000.3,[5] and, to the extent permitted by law, review and approval of the Test and Evaluation Master Plan.

(l) Environmental policy, services, and related actions.

(m) Assignment and reassignment of research and engineering and acquisition responsibility for programs, systems, and activities.

(n) Codevelopment, coproduction, coprocurement, logistics support, wartime host-nation support, and research interchange with friendly and Allied Nations, in coordination with the USD(P).

(o) Installation management and base closures.

(p) Construction, including construction funded by host-nations under the North Atlantic Treaty Organization (NATO) Infrastructure program and similar programs with other Allied countries.

(q) Strategic and critical defense materials, to include the acquisition, retention, and disposal of stocks and the conservation and development of sources of materials.

(r) Unique acquisition matters in support of special operations and low-intensity conflict programs, systems, and activities related to acquisition, in coordination with the Under Secretary of Defense for Policy.

§382.5 Authorities and relationships.

(a) The USD(A) shall take precedence in the Department of Defense on acquisition matters after the Secretary and Deputy Secretary of Defense. On all other matters, the USD(A) shall take precedence after the Secretary and Deputy Secretary of Defense and the Secretaries of the Military Departments.

(b) The USD(A) is hereby granted the authority to direct the Secretaries of the Military Departments and Heads of all other DoD Components with respect to matters for which the USD(A) has responsibility. In this regard, the USD(A) shall strictly enforce the minimum established requirements in DoD Directive 5000.1 and the documentation requirements and procedures in DoD Instruction 5000.2. The authority of the USD(A) to direct the Secretaries of the Military Departments may not be delegated by the USD(A).

(c) The USD(A) shall decide upon the appropriate implementing actions to be taken as a result of DAB reviews, to include the establishment of specific exit criteria that must be satisfactorily demonstrated before an effect or program can progress to the next Milestone decision point. The USD(A)'s decisions shall be reflected in an Acquisition Decision Memorandum (ADM) issued by the USD(A) for implementation by the Heads of DoD Components. The authority of the USD(A) under this paragraph may not be delegated by the USD(A).

(d) The USD(A) may direct the C, DoD to withhold the release of funds to a program at the time of a DAB Milestone review of the program, when the USD(A) determines that such direction is necessary to ensure that the program meets the criteria established by DoD Directives for existing the Milestone and all additional exist criteria for the program established by the Secretary, Deputy Secretary or Under Secretary for Acquisition. USD(A) may not delegate the authority granted by this paragraph to anyone other than the Deputy USD(A).

(e) In the performance of assigned functions, the USD(A) shall:

(1) Exercise direction, authority, and control over the following activities and organizations that constitute the USD(A) organization (The reporting relationships of these activities and organizations with regard to the USD(A), e.g., direct or indirect, shall be at the discretion of the USD(A)):

(i) The Director of Defense Research and Engineering.

(ii) The Assistant Secretary of Defense (Production and Logistics).

(iii) Acquisition-related activities of the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence.

(iv) The Assistant to the Secretary of Defense (Atomic Energy).

(v) The Deputy Under Secretary (Industrial and International Programs).

[5] See footnote 1 to §382.3(a)(1).

(vi) The Director of Small and Disadvantaged Business Utilization.

(vii) The Director, Program Integration.

(viii) The Defense Advanced Research Projects Agency, the Defense Communications Agency, the Defense Logistics Agency, the Defense Mapping Agency, the Defense Nuclear Agency, the Defense Contract Management Agency, the Defense Systems Management College, and the On-Site Inspection Agency.

(2) Provide technical guidance for utilization of the Electromagnetic Compatibility Analysis Center.

(3) Provide policy guidance, goal setting, and management supervision for assigned Management Support Activities, and utilization of Federally Funded Research and Development Centers (FFRDCs).

(4) Use existing facilities and services of the Department of Defense and other Federal Agencies, whenever practicable, to avoid duplication and to achieve an appropriate balance among modernization, readiness, sustainability, efficiency, and economy.

(f) The USD(A) shall also:

(1) Issue DoD Instructions, DoD publications, and one-time directive-type memoranda, consistent with DoD 5025.1M,[6] that implement acquisition policies and procedures for the functions assigned to the USD(A). Instructions to Unified and Specified Commands shall be issued through the Chairman of the Joint Chiefs of Staff (CJCS).

(2) Obtain reports, information, advice, and assistance, consistent with DoD Directive 7750.5,[7] as necessary in carrying out assigned functions.

(3) Communicate directly with the Heads of DoD Components. Communications to Commanders of the Unified and Specified Commands shall be through the CJCS.

(4) Establish arrangements for DoD participation in non-defense governmental programs for which the USD(A) is assigned primary DoD cognizance.

(5) Communicate with other Government Agencies, representatives of legislative branch, and members of the public, as appropriate, in carrying out assigned functions.

(6) Coordinate with and exchange information with other OSD and DoD officials exercising collateral or related responsibilities.

(7) Exercise the delegations of authority contained in appendix to this part.

(8) Work directly with the Service Acquisition Executives.

(g) Other OSD officials and Heads of Components shall coordinate with the USD(A) on all matters related to authorities, responsibilities, and functions assigned in this part.

(h) In the absence or disability of the USD(A), the Acting USD(A) may exercise all authorities of the USD(A).

(i) Nothing in this part or the Delegations of Authority to the USD(A) limits or otherwise affects delegations of authority by the Secretary of Defense to the Deputy Secretary of Defense.

APPENDIX TO PART 382—DELEGATIONS OF AUTHORITY

Pursuant to the authority vested in the Secretary of Defense, and subject to his direction, authority, and control, and in accordance with DoD policies, Directives, and Instructions, the USD(A) is hereby delegated authority to exercise, within his assigned responsibilities and functional areas, all authority of the Secretary of Defense derived from statute, Executive order, authority of the Secretary of Defense derived from statute, Executive order, and interagency agreement, except where specifically limited by statute or Executive order to the Secretary of Defense, to include but not limited to:

1. Exercise all authorities delegated to the Secretary of Defense by the Department of Commerce DPAS Del. No. 1, as amended (DoD Directive 4405.6[1]).

2. Act for the Secretary of Defense in the exercise of extraordinary contractual action authority under Public Law 85–804—an Act to authorize the making, amendment, and modification of contracts to facilitate the national defense, August 28, 1958, in accordance with E.O. 10789, November 14, 1958, as amended, and part 50 of the Federal Acquisition Regulation.

3. Make Secretarial determinations, justifications, and approvals on behalf of the Defense Advanced Research Projects Agency (DARPA), Defense Communications Agency

[6] See footnote 1 to §382.3(a)(1).

[7] See footnote 1 to §382.3(a)(1).

[1] Copies may be obtained, at cost, National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

(DCA), Defense Contract Management Agency (DCMA), Defense Logistics Agency (DLA), Defense Mapping Agency (DMA), and the Defense Nuclear Agency (DNA) under Title 10, United States Code, with authority to redelegate to the Directors of those Agencies, as appropriate.

4. Act for the Secretary of Defense in the establishment and granting of waivers under the Buy American Act (41 U.S.C. 10a–10b).

5. Act for the Secretary of Defense on delegations of authority to him by the U.S. Trade Representative to waiver the prohibition against procurement from certain countries, pursuant to title 3, Public Law 96–39, Trade Agreements Act of 1979 (19 U.S.C. 2511 et seq.), and E.O. 12260, July 26, 1979.

6. Act for the Secretary of Defense in exercise of authority delegated by the Administrator of General Services to dispose of surplus personal property and to waive prescribed demilitarization requirements under DoD Directive 4160.21.[2]

7. Make determinations with respect to the donation of surplus personal property to educational activities of special interest to the Armed Forces of the United States as prescribed in DoD Directive 4160.25.[3]

8. Act for, and exercise the powers of, the Secretary of Defense concerning requests for waiver of the navigation and vessel inspection laws of the United States under Public Law 891, 81st Congress, 2nd Session, December 27, 1950 (64 Stat. 1120), except on those matters that have been delegated by the Secretary of Defense to the Secretary of the Army.

9. Make recommendations to the Department of Energy in connection with facilities for transmission of electric energy and natural gas across borders of the United States, pursuant to the authority given the Secretary of Defense in E.O. 10485, September 3, 1953, as amended by E.O. 12038, February 3, 1978.

10. Act for the Secretary of Defense in the field of transportation and traffic management under section 201(a), title 11, of the Federal Property and Administrative Services Act of 1949, as amended (50 U.S.C. 481(a)) (DoD Directive 5126.9[4]).

11. Act for the Secretary of Defense as the DoD claimant to other designated Executive Departments and Agencies for petroleum requirements and allocations in an emergency (DoD Directive 4140.25[5]).

12. Exercise all responsibilities and authorities of the Secretary of Defense under title 10, United States Code, section 2404, with respect to the acquisition of petroleum.

13. Act for the Secretary of Defense in the implementation of OMB Circular No. A.109, ''Major System Acquisitions,'' April 5, 1976.

14. Make the determination required by title 50, United States Code, section 1512(1), concerning transportation or testing of any lethal chemical or any biological warfare agent.

15. Act for the Secretary of Defense for ensuring compliance with Public Law 92–463, the Federal Advisory Committee Act (5 U.S.C. appendix), and make written determinations for conduct of all closed meetings of Federal Advisory Committees under his cognizance as prescribed by section 10(d) of the Act (5 U.S.C. appendix, 10(d)).

16. Act for the Secretary of Defense as the primary OSD interface with the Defense Policy Advisory Committee on Trade.

17. Act for the Secretary to make appropriate supporting determinations and execute leases under title 10, United States Code, section 2667.

18. Act for the Secretary of Defense in the implementation of OMB Circular A–76,[6] ''Performance of Commercial Activities,'' as revised, August 4, 1983.

19. With the exception of the determination of highly sensitive classified programs, which is retained by the Secretary of Defense, exercise the responsibilities and authorities of the Secretary of Defense to designate major defense acquisition programs, as defined in title 10, United States Code, section 2430.

20. Act for the Secretary of Defense in preparing and revising an acquisition strategy plan for a major program throughout the period from the beginning of Full-Scale Development through the end of production under section 2438, subsection (a) of title 10, United States Code, and in making the prescribed congressional submissions. This delegation of authority may not be redelegated.

21. Act for the Secretary of Defense in making determinations and waivers, and in submitting waivers of requirements for competitive alternate sources with respect to Full-Scale Development and with respect to production for major programs under section 2438, subsection (c) of title 10, United States Code. This delegation of authority may not be redelegated.

22. Act for the Secretary of Defense in providing to the Committees on Appropriations, before funds are expended for Full-Scale Development, a plan for the development of two or more sources in production or a certification that the system or subsystem being

[2] See footnote 1 to paragraph 1. of this appendix.

[3] See footnote 1 to paragraph 1. of this appendix.

[4] See footnote 1 to paragraph 1. of this appendix.

[5] See footnote 1 to paragraph 1. of this appendix.

[6] Copies may be obtained by written request to: EOP Publications, 725 Seventeenth Street NW., Washington, DC 20503.

developed will be procured in quantities insufficient to justify two or more sources under section 8057 of Public Law 100–202, section 8047 of Public Law 100–463, and identical provisions in subsequent statutes making appropriations to the Department of Defense. This delegation of authority may not be redelegated.

23. Act for the Secretary of Defense in making certifications, providing reports, and approving waivers for major defense acquisition programs required by title 10, United States Code. This authority includes, but is not limited to, the following:

a. Submission of notification and report that a competitive prototype strategy is not practicable (Section 2365).

b. Make waivers and notify Congress of each waiver for the acquisition of defense equipment under cooperative projects and report on the award of cooperative contracts (Section 2407). This authority may not be redelegated.

c. Submit Selected Acquisition Reports (Section 2432).

d. Make and submit certifications required for Unit Cost Reports (Section 2433).

e. Submit Manpower Estimate Reports (Section 2434).

f. Provide the notifications for program deviations for milestone-authorized programs (Section 2437).

24. Exercise all authorities delegated to the Secretary of Defense by E.O. 12580, January 23, 1987, concerning responses to releases of hazardous substances for Department of Defense facilities and vessels under Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. 9601, *et seq.*) as amended by the Superfund Amendments and Reauthorization Act (Pub. L. 99–499, October 17, 1986).

25. Exercise all responsibilities and authority of the Secretary of Defense under 10 U.S.C. 2701–2707 and 10 U.S.C. 2810 with respect to conduct of the Defense Environmental Restoration Program.

26. Exercise the authority of the Secretary of Defense under 10 U.S.C. 2354 for the DoD Components other than the Military Departments.

27. Serve on and attend meetings of the Federal Acquisition Regulatory Council, established by section 25 of the Office of Federal Procurement Policy Act, as amended. The Deputy Under Secretary of Defense for Acquisition shall serve in the absence of the USD(A). This authority may not be redelegated.

28. Perform the functions and responsibilities set out at section 25(d) of the Office of Federal Procurement Policy Act (41 U.S.C. 421). The authority to review and approve or disapprove regulations relating to procurement under subsection 25(d)(1) may not be delegated to any person outside the office of the USD(A).

29. Exercise the authority of the Secretary of Defense under 10 U.S.C. 2407 with respect to NATO Cooperative Projects as defined in section 27 of the Arms Export Control Act (AECA). The authority to grant waivers as authorized in section 2407(c) may not be redelegated.

30. Exercise all responsibilities of the Secretary of Defense under Public Law 93–155, Defense Industrial Reserve Act of 1973 (50 U.S.C. 451–455) to provide a comprehensive and continuous program for the future safety and for the defense of the United States by providing adequate measures whereby an essential nucleus of Government-owned plants and industrial plant equipment is maintained to meet the needs of the Armed Forces in time of a national emergency or in anticipation thereof.

31. Act for the Secretary of Defense to establish and administer an Industrial Preparedness Program in furtherance of E.O. 12656, section 501, paragraphs (2), (11), (13), and (14), February 25, 1988, and Defense Mobilization Order VII–7 (Revised), in accordance with DoD Directive 4005.1.[7]

32. Act for the Secretary of Defense in the exercise of authority under the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98 et seq.) in accordance with E.O. 12626, February 25, 1988.

33. Act for the Secretary of Defense, under the authority of Federal Property Management Regulations, Temporary Regulation F–227, July 30, 1974, or under any other Delegation of Authority that may hereafter be made by the Administrator of General Services, to enter into contracts for public utility services for a period not to exceed 10 years.

a. This authority is hereby further delegated to the Secretaries of the Army, Navy, and Air Force with authority to redelegate, as appropriate. Exercise of this authority is subject to the direction, supervision and control of the USD(A).

b. This authority is also further delegated to the Director of the Defense Communications Agency in connection with the leasing of communications facilities, and to the Directors of the Defense Logistics Agency and Defense Nuclear Agency in connection with the leasing of local telecommunications facilities and services. This authority may be redelegated as appropriate. Exercise of this authority is subject to the direction, supervision and control of the USD(A).

The USD(A) may redelegate these authorities, as appropriate, except as otherwise specifically indicated above or prohibited by law, directive or regulation.

[7] See footnote 1 to paragraph 1, of this appendix.

PART 383a—DEFENSE COMMISSARY AGENCY (DeCA)

Sec.
383a.1 Purpose.
383a.2 Applicability.
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APPENDIX TO PART 383A—DELEGATIONS OF AUTHORITY

AUTHORITY: 10 U.S.C. 136.

SOURCE: 55 FR 49279, Nov. 27, 1990, unless otherwise noted.

§383a.1 Purpose.

Pursuant to the authority vested in the Secretary of Defense under title 10, United States Code, this part establishes the Defense Commissary Agency (DeCA) and the Defense Commissary Board (DCB), with responsibilities, functions, and authorities as prescribed herein.

§383a.2 Applicability.

This part applies to the Office of the Secretary of Defense (OSD), the Military Departments; the Chairman, Joint Chiefs of Staff and Joint Staff; the Unified and Specified Commands; the Inspector General of the Department of Defense (IG, DoD); the Defense Agencies; and the DoD Field Activities (hereafter referred to collectively as ''DoD Components''). The term ''Military Services,'' as used herein, refers to the Army, Navy, Air Force, and Marine Corps.

§383a.3 Mission.

(a) The mission of the DeCA is to:

(1) Provide an efficient and effective worldwide system of commissaries for the resale of groceries and household supplies at the lowest practical price (consistent with quality) to members of the Military Services, their families, and other authorized patrons, while maintaining high standards for quality, facilities, products, and service.

(2) Provide a peacetime training environment for food supply logisticians needed in wartime and, as circumstances dictate, troop issue subsistence support to military dining facilities consistent with Service needs.

(b) The mission of the DCB is to serve as a forum for the discussion of issues about the commissary services provided by the DeCA and to make related policy recommendations to the Assistant Secretary of Defense (Production and Logistics) (ASD(P&L)).

§383a.4 Organization.

(a) The DeCA is established as an Agency of the Department of Defense under the direction, authority, and control of the ASD(P&L). It shall consist of a Director of such subordinate organizational elements as are established by the Director.

(b) The DCB is established as a committee reporting to the ASD (P&L). Its membership shall consist of the following:

(1) The Director, DeCA, who shall serve as Chair.

(2) A representative of the Assistant Secretary of Defense (Force Management and Personnel) (ASD(FM&P)).

(3) A representative of the Chairman, Joint Chiefs of Staff (CJCS).

(4) One military officer and one enlisted representative from each of the Military Services appointed by the Secretaries of the Military Departments.

(5) The Director, DeCA, may invite other representatives to attend DCB meetings, as appropriate.

(c) The Director shall designate an Executive Secretary for the Board.

[55 FR 49279, Nov. 27, 1990, as amended at 63 FR 33248, June 18, 1998]

§383a.5 Responsibilities and functions.

(a) The Director, Defense Commissary Agency (DeCA), shall:

(1) Organize, direct, and manage the DeCA and all assigned resources; procure assigned items; and administer, supervise, and control all programs and activities assigned to the DeCA.

(2) Plan, program, budget, design, manage, and ensure the execution of the commissary facilities' construction, modification, and repair programs.

(3) Provide and operate facilities under standards consistent with those used for commercial food stores.

(4) Develop and administer plans and programs to provide peacetime training for military personnel, as appropriate.

(5) Develop and administer plans and programs to provide troop issue subsistence support to appropriate dining facilities, tactical field exchanges for deployed mission support, and management of subsistence war readiness materiel in peacetime and wartime, as required.

(6) Provide advice to the ASD(P&L) on DoD policies about the operation of commissaries and related matters.

(7) Plan and direct use of commissary stocks to support mobilization, as required.

(8) Establish and administer a civilian career management program to include referral services and development programs for commissary management personnel.

(9) Perform such other functions as the ASD(P&L) may direct.

(b) The Defense Commissary Board (DCB) shall meet periodically, and not less than annually. For the purpose of providing advice, it shall:

(1) Consider issues about DeCA operations, services, and resources and make recommendations about DeCA practices, problems, policies, and programs.

(2) Facilities the exchange of information among the Director, DeCA, and the Military Departments.

(3) Make recommendations on the integration and prioritization of the commissary construction program.

(4) Perform such other advisory functions as ASD(P&L) may direct.

(c) The Assistant Secretary of Defense (Production and Logistics) (ASD(P&L)) shall:

(1) Recommend to the Secretary and the Deputy Secretary of Defense and the USD(A) policies and resources for the administration of the DeCA and its programs.

(2) Provide policy guidance and management direction to the Director, DeCA.

(3) Establish standards and issue guidelines for military commissary operations, including, but not limited to, the following areas:

(i) Funding.

(ii) Commissary establishment/disestablishment.

(iii) Pricing and surcharges.

(iv) Categories of items.

(v) Reporting requirements and preparation of ''The DoD Commissary Operations Report'' (RCS DD–FMP(A)1187).

(4) In coordination with CJCS, make arrangements for Commanders of Unified Commands to assume temporary operational control of commissaries in wartime or periods of heightened alert.

(d) The Assistant Secretary of Defense (Force Management and Personnel) (ASD(FM&P)) shall be responsible for advising the ASD(P&L) on commissary policy to ensure that it is consistent with policies on recruitment and retention.

(e) The Comptroller of the Department of Defense (C, DoD) shall advise the ASD(P&L) on accounting, budgeting, funding, cash management, debt management, and pricing and surcharge policy for the DeCA.

(f) The Secretaries of the Military Departments shall provide such facilities, physical security, logistics, and administrative support as required for effective operation of the military commissary program as agreed to by the DeCA and cognizant component Commands under inter-Service support and servicing agreements.

§ 383a.6 Relationships.

(a) In the performance of assigned responsibilities and functions, the Director, DeCA, shall:

(1) Have free and direct access to, and communicate with, the DoD Components and other Executive Departments and Agencies concerning commissary activities, as necessary.

(2) Maintain appropriate liaison with other DoD Components, Agencies of the Executive branch, forcing governments, and private sector organizations for the exchange of information on programs and activities in the field of assigned responsibilities.

(3) Use established facilities and services of the Department of Defense and other Federal Agencies, whenever practicable, to avoid duplication and to achieve an appropriate balance of modernization, efficiency, economy, and customer support.

(4) Consult and coordinate with other governmental and nongovernmental agencies on matters related to the mission assigned to the DeCA.

(b) The Secretaries of the Military Departments and Heads of other DoD Components shall:

(1) Provide assistance to the Director, DeCA, in carrying out the responsibilities and functions relating to military commissaries.

(2) Coordinate with the Director, DeCA, on programs and activities that include or are related to military commissaries.

§ 383a.7 Authority.

The Director, DeCA is hereby delegated authority to:

(a) Enter into and administer contracts, directly or through a Military Department, a DoD contract administration services component, or other Government Department or Agency, in accordance with applicable laws, DoD regulations, the FAR and the DFARS for supplies, equipment, and services required to accomplish the mission of the DeCA.

(b) Prescribe procedures, standards, and practices for the Department of Defense governing he execution of assigned responsibilities and functions.

(c) Enter into agreements with the Military Departments or other Government entities, as required for the effective performance of the military commissary program.

(d) Obtain reports, information, advice, and assistance from other DoD Components consistent with the policies and criteria of DoD Directive 7750.5[1], as may be necessary for the performance of assigned functions and responsibilities.

(e) Establish new DeCA facilities or use existing facilities of the Military Departments, as deemed necessary, for improved effectiveness and economy.

(f) Exercise the operational and administrative authorities contained in the appendix to this part.

[1] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Rond, Springfield, VA 22161.

§ 383a.8 Administration.

(a) The Director and Deputy Director(s) of the DeCA shall be appointed by the Secretary of Defense.

(b) The DeCA shall be authorized such personnel, facilities, funds, and other administrative support as the Secretary of Defense deems necessary.

(c) The Military Departments shall assign military personnel to the DeCA in accordance with approved authorizations and procedures for assignment to joint duty.

(d) Programming, budgeting, funding, procuring, auditing, accounting, pricing, and reporting activities of the DeCA shall be in accordance with established DoD policies and procedures.

(e) Appropriated funds shall be used to finance the operating costs of the DeCA with the exception of operating costs authorized for payment from trust revolving funds. A stock fund will be used to finance all inventories procured for resale.

APPENDIX TO PART 383A—DELEGATIONS OF AUTHORITY

Pursuant to the authority vested in the Secretary of Defense, and subject to the direction, authority, and control of the Secretary of Defense, and in accordance with DoD policies, Directives, and Instructions, the Director, DeCA is hereby delegated authority as required in the administration and operation of the DeCA to:

1. Establish advisory committees and employ part-time advisers, as approved by the Secretary of Defense, for the performance of DeCA functions pursuant to 10 U.S.C. 173 Public Law 92–463, ''Federal Advisory Committee Act''; and DoD Directive 5105.4[1] ''Department of Defense Federal Advisory Committee Management Program,'' September 5, 1989.

2. Designate any position in the DeCA as a ''sensitive'' position, in accordance with 5 U.S.C. 7532; Executive Orders 10450, 12333, and 12356; and DoD Directive 5200.2[2], ''DoD Personnel Security Program,'' December 20, 1979, as appropriate.

3. Authorize and approve overtime work for DeCA civilian personnel in accordance with 5 U.S.C. chapter 55, subchapter V, and applicable OPM regulations.

4. Authorize and approve:

[1] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

[2] See footnote 1 to paragraph 1 of this appendix.

a. Travel of DeCA civilian personnel in accordance with Joint Travel Regulations, Volume 2, ''DoD Civilian Personnel.''

b. Temporary duty travel for military personnel assigned or detailed to the DeCA in accordance with Joint Federal Travel Regulations, Volume 1, ''Uniformed Service Members.''

c. Invitational travel to persons serving without compensation whose consultative, advisory, or other highly specialized technical services are required in a capacity that is directly related to or in connection with, DeCA activities, pursuant to 5 U.S.C. 5703.

5. Approve the expenditure of funds available for travel by military personnel assigned or detailed to the DeCA for expenses regarding attendance at meetings of technical, scientific, professional, or other similar organizations in such instances when the approval of the Secretary of Defense, or designee, in required by law (37 U.S.C. 412 and 5 U.S.C 4110 and 4111). This authority cannot be redelegated.

6. Develop, establish, and maintain in active and continuing Records Management Program, pursuant to 44 U.S.C. 3102 and DoD Directive 5015.2[3], ''Records Management Program,'' September 17, 1980.

7. Establish and use imprest funds for making small purchases of material and services, other than personal services, for the DeCA when it is determined more advantageous and consistent with the best interests of the Government, in accordance with DoD Directive 7360.104[4], ''Disbursing Policies,'' January 17, 1989.

8. Authorize the publication of advertisements, notices, or proposals in newspapers, magazines, or other public periodicals, as required for the effective administration and operation of the DeCA, consistent with 44 U.S.C. 3702.

9. Establish and maintain appropriate property accounts for the DeCA and appoint Boards of Survey, approve reports of survey, relieve personal liability, and drop accountability for DeCA property contained in the authorized property accounts that has been lost, damaged, stolen, destroyed, or otherwise rendered unserviceable, in accordance with applicable laws and regulations.

10. Promulgate the necessary security regulations for the protection of property and places under the jurisdiction of the Director, DeCA, pursuant to DoD Directive 5200.8[5], ''Security of Military Installations and Resources,'' July 29, 1980.

11. Establish and maintain, for the functions assigned, a publications system for the promulgation of common supply and service regulations, instructions, and reference documents, and changes thereto, pursuant to the policies and procedures prescribed in DoD 5025.1–M[6] ''Department of Defense Directives System Procedures,'' April 1981.

12. Enter into support and service agreements with the Military Departments, other DoD Components, Government Agencies, and foreign governments, as required for the effective performance of DeCA functions and responsibilities.

13. Lease property under the control of the DeCA, under terms that will promote the national defense or that will be in the public interest, pursuant to 10 U.S.C. 2667.

14. Exercise the powers vested in the Secretary of Defense by 5 U.S.C. 301, 302(b), 3101, and 5107 on the employment, direction, and general administration of DeCA civilian personnel.

15. Fix rates of pay of wage-rate employees exempted from the Classification Act of 1949 by 5 U.S.C. 5102 on the basis of rates established under the Combined Federal Wage System. In fixing such rates, the Director, DeCA, shall follow the wage schedule established by the DoD Wage Fixing Authority.

16. Administer oaths of office to those entering the Executive branch of the Federal Government or any other oath required by law in connection with employment therein, in accordance with 5 U.S.C. 2903, and designate in writing, as may be necessary, officers and employees of the DeCA to perform this function.

17. Establish a DeCA Incentive Awards Board, and pay cash awards to, and incur necessary expenses for the honorary recognition of, civilian employees of the Government whose suggestions, inventions, superior accomplishments, or other personal efforts, including special acts or services, benefit or affect the DeCA, in accordance with 5 U.S.C. 4503, OPM regulations, and DoD Directive 5120.15[7], ''Authority for Approval of Cash Honorary Awards for DoD Personnel,'' August 13, 1985.

18. Maintain an official seal and attest to the authenticity of official DeCA records under that seal.

The Director, DeCA may redelegate these authorities as appropriate, and in writing, except as otherwise specifically indicated above or as otherwise provided by law or regulation.

[3] See footnote 1 to paragraph 1 of this appendix.

[4] See footnote 1 to paragraph 1 of this appendix.

[5] See footnote 1 to paragraph 1 of this appendix.

[6] See footnote 1 to paragraph 1 of this appendix.

[7] See footnote 1 to paragraph 1 of this appendix.

PART 384—UNDER SECRETARY OF DEFENSE FOR ACQUISITION AND TECHNOLOGY

Sec.
384.1 Purpose.
384.2 Definition.
384.3 Applicability.
384.4 Responsibilities.
384.5 Functions.
384.6 Relationships.
384.7 Authorities.

APPENDIX A TO PART 384—DELEGATIONS OF AUTHORITY

AUTHORITY: 10 U.S.C. 113 and 133.

SOURCE: 59 FR 35262, July 11, 1994, unless otherwise noted.

§384.1 Purpose.

Pursuant to 10 U.S.C. 133 and the authority vested in the Secretary of Defense by 10 U.S.C. 113, this part updates the responsibilities, functions, relationships, and authorities of the USD(A&T).

§384.2 Definition.

Department of Defense Acquisition System. A single, uniform system whereby all equipment, facilities, and services are planned, designed, developed, acquired, maintained, and disposed of within the Department of Defense. The system encompasses establishing and enforcing policies and practices that govern acquisitions, to include documenting mission needs and establishing performance goals and baselines; determining and prioritizing resource requirements for acquisition programs; planning and executing acquisition programs; directing and controlling the acquisition review process; developing and assessing logistics implications; contracting; monitoring the execution status of approved programs; and reporting to Congress.

§384.3 Applicability.

This part applies to the Office of the Secretary of Defense (OSD), the Military Departments, the Chairman of the Joint Chiefs of Staff, the Unified Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, and the DoD Field Activities (hereafter referred to collectively as ''the DoD Components'').

§384.4 Responsibilities.

The Under Secretary of Defense for Acquisition and Technology, as the senior acquisition executive of the Department of Defense, is the principal staff assistant and advisor to the Secretary and Deputy Secretary of Defense for all matters relating to the DoD Acquisition System, research and development, advanced technology, test and evaluation, production, logistics, military construction, procurement, economic security, environmental security, and atomic energy.

(a) The Under Secretary of Defense for Acquisition and Technology shall:

(1) Serve as the Defense Acquisition Executive with responsibility for supervising the performance of the DoD Acquisition System and enforcing the policies and practices in DoD Directive 5000.1[1] and OMB Circular A–109.[2]

(2) Chair the Defense Acquisition Board (DAB) pursuant to DoD Directive 5000.49.[3]

(3) Serve as the DoD Procurement Executive, with responsibilities as prescribed in E.O. 12352, 47 FR 12125, 3 CFR, 1982 Comp., p. 137, and 41 U.S.C. 401–424.

(4) Serve as the United States representative at the North Atlantic Treaty Organization (NATO) Conference of National Armaments' Directors and other multinational forums of armaments' directors.

(5) Establish and publish policies and procedures governing the operations of the DoD Acquisition System and the administrative oversight of defense contractors.

(6) Prescribe the developmental testing and evaluation program (which excludes those statutory test and evaluation responsibilities assigned to the Director, Operational Test and Evaluation), including establishing and ensuring implementation of policies and program plans, including funding, for ranges and test facilities and also be responsible for the acquisition-related

[1] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

[2] Copies may be obtained by written request to EOP Publications, 725 17th Street, N.W., New Executive Office Building, Washington, DC 20503.

[3] See footnote 1 to §384.4(a)(1).

functions of weapons programs, including control of the elements of the OSD performing the acquisition-related function of strategic and theater nuclear forces programs and tactical warfare programs.

(7) Prescribe policies, in coordination with the IG, DoD, and the Comptroller of the Department of Defense (C, DoD), to ensure that audit and oversight of contractor activities are coordinated and carried out in a manner to prevent duplication by different elements of the Department. The exercise of this responsibility shall not affect the authority of the IG, DoD, under the Inspector General Act of 1978 (Pub. L. 95–452, 92 Stat. 1101).

(8) Coordinate research and development programs DoD-wide to eliminate duplication of effort and ensure that available resources are used to maximum advantage.

(9) Establish policies and programs that strengthen DoD Component technology development programs, encourage technical competition and technology-driven prototyping that promise increased military capabilities, and exploit the cost-reduction potential of innovative or commercially developed technologies.

(10) Develop acquisition plans, strategies, guidance, and assessments, including affordability assessments and investment area analyses, in support of the acquisition Milestone review and the Planning, Programming, and Budgeting Systems (PPBS) processes.

(11) Designate major defense acquisition programs as either DAB or Component programs, sign congressional certifications and reports, administer the Selected Acquisition Report and Unit Cost Report systems, and exercise the other specific authorities provided for in the delegations of authority in the appendix A to this part.

(12) Develop, with the coordination of the Under Secretary of Defense for Policy (USD(P)), agreements with friendly and Allied Nations relating to acquisition matters consistent with DoD Directive 5530.3.[4]

(13) Develop assessments of, and establish policies to maintain the capability of the U.S. defense industry to meet DoD needs.

(14) Supervise the management and performance of the Strategic and Critical Materials Program pursuant to E.O. 12626, 53 FR 47491, 3 CFR, 1988 Comp., p. 585.

(15) Establish policies and procedures, with the coordination of the Under Secretary of Defense (Personnel and Readiness), for the effective management of the acquisition workforce within the Department of Defense, including accession, education, training, and career development.

(16) Advise the Secretary and Deputy Secretary of Defense on technical and programmatic issues arising in Defense Resources Board matters.

(17) Establish and manage the cooperative research and development program.

(18) Manage the OSD Study Program.

(19) Establish policies and procedures for the management of the DoD environmental security strategy for cleanup, compliance, conservation, and pollution prevention.

(20) Supervise the Defense Science Board.

(21) Chair the Nuclear Weapons Council.

(b) For each assigned functional area identified in § 384.5, the Under Secretary of Defense for Acquisition and Technology shall:

(1) Direct planning and analyses activities to assess the technical, economic, and military worth of specific acquisition programs and investment areas.

(2) Establish policies, systems, and standards that promote more effective and efficient administration and management of acquisition resources, and monitor the execution of approved programs to ensure available resources are being applied in accordance with established policies and standards.

(3) Review and evaluate DoD Component plans, programs, and budget submissions to ensure adherence to established priorities, policies and procedures, standards, and resource guidance; and, as appropriate, develop recommended alternatives for Secretary and Deputy Secretary of Defense consideration during all phases of the PPBS process.

[4] See footnote 1 to § 384.4(a)(1).

(4) Promote coordination, cooperation, and mutual understanding of all matters related to assigned activities, both inside and outside the Department of Defense.

(c) Perform such other duties as the Secretary or Deputy Secretary of Defense may prescribe.

§384.5 Functions.

The USD(A&T) shall carry out the responsibilities described in §384.3, for the following functional areas:

(a) Acquisition management, including acquisition special access programs.

(b) Science and technology and the defense technology base.

(c) Design and engineering, and the development of weapon systems.

(d) Logistics acquisition and management, to include supply systems, weapons systems logistics elements, items standardization, transportation, energy, warehousing, distribution, and related activities.

(e) Procurement.

(f) Scientific and technical information.

(g) Production and manufacturing.

(h) Industrial base resources and productivity.

(i) Force modernization and sustainability and the availability of fielded major weapons systems.

(j) Developmental test and evaluation, as defined in DoD Directive 5000.1 and, to the extent permitted by law, review and approval of the Test and Evaluation Master Plan.

(k) Environmental policy, services, and related actions.

(l) Assignment and reassignment of research and engineering and acquisition responsibility for programs, systems, and activities.

(m) Codevelopment, coproduction, coprocurement, logistics support, wartime host-nation support, and research interchange with friendly and Allied Nations, in coordination with the Under Secretary of Defense for Policy (USD(P)).

(n) Installation management and base closures.

(o) Construction, including construction funded by host nations under the NATO Infrastructure Program and similar programs with other Allied countries.

(p) Strategic and critical materials, to include the acquisition, retention, and disposal of stocks and the conservation and development of sources of materials.

(q) Unique acquisition matters in support of special operations and low-intensity conflict programs, systems, and activities related to acquisition, in coordination with the USD(P).

(r) Defense Acquisition program protection measures and related counterintelligence and system security activities, in coordination with the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence (ASD(C3I)).

(s) Economic adjustment.

(t) Defense atomic energy, chemical warfare, and biological defense plans and programs.

§384.6 Relationships.

(a) In the performance of assigned functions and responsibilities, the USD(A&T) shall:

(1) Take precedence in the Department of Defense on acquisition matters after the Secretary and Deputy Secretary of Defense. On all other matters, the USD(A&T) shall take precedence after the Secretary and Deputy Secretary of Defense and the Secretaries of the Military Departments.

(2) Exercise authority, direction, and control over:

(i) The Principal Deputy Under Secretary of Defense for Acquisition and Technology (PDUSD(A&T)).

(ii) The Director of Defense Research and Engineering (DDR&E).

(iii) The Assistant Secretary of Defense for Economic Security (ASD(ES)).

(iv) The Assistant to the Secretary of Defense for Atomic Energy (ATSD(AE)).

(v) The Director, Advanced Research Projects Agency, through the DDR&E.

(vi) The Director, Defense Logistics Agency.

(vii) The Director, Defense Nuclear Agency, through the ATSD(AE).

(viii) The Director, Ballistic Missile Defense Organization.

(ix) The Director, On-Site Inspection Agency, through the ATSD(AE), to be

exercised consistent with DoD Directive TS–5134.2.[5]

(x) The Director of Small and Disadvantaged Business Utilization.

(xi) The Director, Office of Economic Adjustment, through the ASD(ES).

(xii) The President, Defense Acquisition University.

(xiii) The Commandant, Defense Systems Management College.

(xiv) Such other organizations as may be established by the USD(A&T) within resources provided by the Secretary of Defense.

(3) Use existing facilities and services of the Department of Defense and other Federal Agencies, whenever practicable, to avoid duplication and to achieve an appropriate balance among modernization, readiness, sustainability, efficiency, and economy.

(b) The Secretaries of the Military Departments and the heads of other DoD Components shall consult the USD(A&T) before assigning an officer or employee to serve as a Program Executive Officer or a Program Manager, or reassigning an officer or employee so serving, for any program subject to review by the DAB.

(c) The Secretaries of the Military Departments and the heads of other DoD Components shall consult the USD(A&T) on program objectives memoranda and budget estimate submissions that reflect a significant change to any program subject to review by the DAB, before their submission to the OSD.

(d) The USD(A&T) shall work directly with the Service Acquisition Executives.

(e) Other OSD officials and heads of the DoD Components shall coordinate with the USD(A&T) on all matters related to authorities, responsibilities, and functions assigned in this part.

§ 384.7 Authorities.

(a) The USD(A&T) is hereby granted the authority to direct the Secretaries of the Military Departments and heads of all other DoD Components on all matters of acquisition.

(b) The USD(A&T) shall decide upon the appropriate implementing actions to be taken as a result of DAB reviews, to include the establishment of specific exit criteria that must be satisfactorily demonstrated before an effort or program can progress to the next Milestone decision point. The USD(A&T)'s decisions shall be reflected in an Acquisition Decision Memorandum issued by the USD(A&T) for implementation by the heads of the DoD Components.

(c) The C, DoD, shall coordinate with the USD(A&T) prior to approving the transfer or reprogramming of funds into or from a program within the purview of the USD(A&T).

(d) The USD(A&T) may direct the C, DoD, to withhold the release of funds to an acquisition program when the USD(A&T) determines that such direction is necessary to ensure that the program meets the criteria established by DoD Directives for exiting the Milestone and all additional exit criteria for the program established by the Secretary of Defense, the Deputy Secretary of Defense, or the USD(A&T). The USD(A&T) may not delegate the authority granted by this subsection to anyone other than the PDUSD(A&T).

(e) The USD(A&T) shall:

(1) Issue DoD Instructions, DoD Publications, and one-time directive-type memoranda, consistent with DoD 5025.1–M,[6] that implement acquisition policies and procedures for the functions assigned to the USD(A&T). Instructions to the Military Departments shall be issued through the Secretaries of the Military Departments. Instructions to Unified Combatant Commands shall be communicated through the Chairman of the Joint Chiefs to Staff.

(2) Obtain reports, information, advice, and assistance, consistent with DoD Directive 8910.1,[7] as necessary, in carrying out assigned functions.

(3) Communicate directly with the heads of the DoD Components. Communications to Commanders of the Unified Combatant Commands shall be transmitted through the Chairman of the Joint Chiefs of Staff.

(4) Establish arrangements for DoD participation in nondefense governmental programs for which the USD(A&T) is assigned primary DoD cognizance.

[5] Classified document. Not releasable.

[6] See footnote 1 to § 384.4(a)(1).

[7] See footnote 1 to § 384.4(a)(1).

(5) Communicate with other Government Agencies, representatives of the legislative branch, and members of the public, as appropriate, in carrying out assigned functions.

(6) Coordinate with and exchange information with other DoD officials exercising collateral or related responsibilities.

(7) Exercise the delegations of authority in appendix A to this part.

(f) Nothing in this part limits or otherwise affects delegations of authority by the Secretary of Defense to the Deputy Secretary of Defense.

APPENDIX A TO PART 384—DELEGATIONS OF AUTHORITY

I. Pursuant to the authority vested in the Secretary of Defense, and subject to his direction, authority, and control, and in accordance with DoD policies, Directives, and Instructions, the USD(A&T) is hereby delegated authority to exercise, within his assigned responsibilities and functional areas, all authority of the Secretary of Defense derived from statute, Executive order, and interagency agreement, except where specifically limited by statute or Executive order to the Secretary of Defense, to include but not limited to:

1. Exercise all authorities delegated to the Secretary of Defense by the Department of Commerce for the Defense Priorities and Allocations System (DPAS Del. No. 1, as amended). In addition, exercise the authorities delegated to the Secretary of Defense by Executive Order 12742, dated January 8, 1991 (3 CFR, 1991 Comp., p. 309)

2. Act for the Secretary of Defense in the exercise of extraordinary contractual action authority under Pub. L. 85–804, as amended by Pub. L. 93–155 (50 U.S.C. 1431–1435), as amended—an Act to authorize the making, amendment, and modification of contracts to facilitate the national defense, August 28, 1958, in accordance with E.O. 10789, November 14, 1958, as amended, 23 FR 8897, 3 CFR, 1954–1958 Comp., p. 426 and 48 CFR part 50.

3. Make Secretarial determinations, justifications, and approvals on behalf of the Advanced Research Projects Agency, Ballistic Missile Defense Organization, Defense Contract Management Command, Defense Logistics Agency, the Defense Nuclear Agency, the On-Site Inspection Agency, the Office of Economic Adjustment, the Defense Acquisition University, and the Defense Systems Management College under title 10, United States Code, with the authority to redelegate to the Heads of those organizations, and other organizations as may be assigned to the USD(A&T), as appropriate.

4. Act for the Secretary of Defense in making determinations and authorizing waivers under the Buy American Act (41 U.S.C. 10a–10d).

5. Act for the Secretary of Defense on delegations of authority to him by the U.S. Trade Representative to waive the prohibition against procurement from certain countries, pursuant to title 3, Pub. L. 96–36, Trade Agreements Act of 1979 (19 U.S.C. 2511 et seq.), and E.O. 12260, December 31, 1980, 46 FR 1653, 3 CFR, 1980 Comp., p. 311.

6. Act for, and exercise the powers of, the Secretary of Defense on requests for waiver of the navigation and vessel inspection laws of the United States under Pub. L. 891, 81st Congress, 2nd Session, December 27, 1950 (64 Stat. 1120), except on those matters that have been delegated by the Secretary of Defense to the Secretary of the Army.

7. Make recommendations to the Department of Energy in connection with facilities for transmission of electric energy and natural gas across borders of the United States, pursuant to the authority given the Secretary of Defense in E.O. 10485, September 3, 1953, 18 FR 5397, 3 CFR, 1949–1953 Comp., p. 70, as amended by E.O. 12038, February 3, 1978, 11 FR 1809, 3 CFR 1943–1948 Comp., p. 508.

8. Exercise all responsibilities and authorities of the Secretary of Defense under 10 U.S.C. 2404, on the acquisition of petroleum.

9. Act for the Secretary of Defense in the implementation of OMB Circular A–109,[1] ''Major System Acquisitions,'' April 5, 1976.

10. Make the determination required by 50 U.S.C. 1512(1), on transportation or testing of any lethal chemical or any biological warfare agent.

11. Make written determinations for conduct of all closed meetings of Federal Advisory Committees under his cognizance as prescribed by section 10(d) of the Act (5 U.S.C. appendix II, 10(d)).

12. Act for the Secretary of Defense in the implementation of OMB Circular A–76,[2] ''Performance of Commercial Activities,'' as revised, August 4, 1983.

13. With the exception of the determination of highly sensitive classified programs, which is retained by the Secretary of Defense, exercise the responsibilities and authorities of the Secretary of Defense to designate major defense acquisition programs, as defined in title 10, United States Code, section 2430.

14. Act for the Secretary of Defense in preparing and revising an acquisition strategy for a major defense acquisition program

[1] Copies may be obtained by written request to EOP Publications, 725 17th Street, NW., New Executive Office Building, Washington, DC 20503.

[2] See footnote 1 to section 9 of this appendix.

throughout the period from the beginning of Full-Scale Development (Engineering and Manufacturing Development) through the end of production under Sections 2438 and 2439 of title 10, United States Code.

15. Act for the Secretary of Defense in making certifications, providing reports, and approving waivers for major defense acquisition programs required by Title 10, United States Code. This authority includes, but is not limited to, the following:

a. Submit Selected Acquisition Reports (SARs) (Section 2432), to include notifications of SAR waivers and research, development, test, and evaluation-only SARs.

b. Make and submit certifications required for Unit Cost Reports (Section 2433).

16. Exercise all authorities delegated to the Secretary of Defense by E.O. 12580, January 23, 1987, 52 FR 2923, 3 CFR, 1977 Comp., p. 193, on responses to releases of hazardous substances for DoD facilities and vessels under the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. 9601 et seq.) as amended by the Superfund Amendments and Reauthorization Act of 1986 (Pub. L. 99–499, October 17, 1986) (100 Stat. 1613).

17. Exercise all responsibilities and authority of the Secretary of Defense under 10 U.S.C. 2701–2707 and 10 U.S.C. 2810 on conduct of the Defense Environmental Restoration Program.

18. Exercise the authority of the Secretary of Defense under 10 U.S.C. 2354 for the DoD Components other than the Military Departments.

19. Serve on and attend meetings of the Federal Acquisition Regulatory Council, established by section 25 of the Office of Federal Procurement Policy Act, as amended. The PDUSD(A&T) shall serve in the absence of the USD(A&T). This authority may be redelegated consistent with section 25 of the Office of Federal Procurement Policy Act, as amended (Pub. L. 93–400, 88 Stat 796), and section 809 of the National Defense Authorization Act for Fiscal Years 1992 and 1993, Pub. L. 102–190 (105 Stat. 1290).

20. Perform the functions and responsibilities set out at section 25(d) of the Office of Federal Procurement Policy Act, as amended. The authority to review and approve or disapprove regulations relating to procurement under subsection 25(d)(1) may not be redelegated to any person outside the Office of the USD(A&T).

21. Exercise the authority of the Secretary of Defense under 10 U.S.C. 2350b with respect to NATO Cooperative Projects as defined in section 27 of the Arms Export Control Act (Pub. L. 90–629, 82 Stat. 1320). The authority to grant waivers as authorized in subsection 2350b.(c) may not be redelegated.

22. Exercise all powers and duties of the Secretary of Defense under 10 U.S.C. 2535 to provide a comprehensive and continuous defense industrial reserve program.

23. Act for the Secretary of Defense in the exercise of authority under the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98 et seq.) in accordance with E.O. 12626, February 25, 1988, 53 FR 6114, 3 CFR, 1988 Comp., p. 552.

24. Act for the Secretary of Defense, under the authority of Federal Property Management Regulations, 41 CFR 101–33.002, or under nay other Delegation of Authority that may hereafter be made by the Administrator of General Services, to enter into contracts for public utility services for a period not to exceed 10 years. This authority may be delegated.

25. Act for the Secretary of Defense in establishing and exercising policy direction and oversight over a defense technology office in Japan, in compliance with section 248 of the National Defense Authorization Act for fiscal year 1991 (Pub. L. 101–510) (104 Stat. 1485).

26. Exercise the authority of the Secretary of Defense in 10 U.S.C. 2410i, section 9069 of the DoD Appropriations Act, 1993 (Pub. L. 102–396) (106 Stat. 1876), and section 8072A of DoD Appropriations Act, 1992 (Pub. L. 102–172) (105 Stat. 1150) to waive prohibitions on awarding contracts to foreign entities that have not certified that they do not comply with the secondary boycott of Israel.

II. The USD(A&T) may redelegate these authorities, as appropriate, except as otherwise specifically indicated in this appendix or prohibited by law, Directive, or regulation.

[59 FR 35262, July 11, 1994, as amended at 59 FR 41405, Aug. 12, 1994]

PART 385—DEFENSE INTELLIGENCE AGENCY

Sec.
385.1 Purpose.
385.2 Mission.
385.3 Responsibilities and functions.
385.4 Organization and administration.
385.5 Relationships.
385.6 Authorities.
385.7 Delegation of authority.

AUTHORITY: 10 U.S.C. chapter 4.

SOURCE: 42 FR 33734, July 1, 1977, unless otherwise noted. Redesignated at 58 FR 39360, July 22, 1993.

§ 385.1 Purpose.

Pursuant to the authority vested in the Secretary of Defense under the provisions of title 10, United States Code,

the Defense Intelligence Agency (hereinafter ''the DIA'') is hereby established with responsibilities, functions and authorities as prescribed herein.

§385.2 Mission.

The mission of the DIA is to satisfy, or to ensure the satisfaction of, the foreign intelligence requirements of the Secretary of Defense, the Joint Chiefs of Staff, DoD components and other authorized recipients, and to provide the military intelligence contribution to national intelligence.

§385.3 Responsibilities and functions.

The Director, DIA, shall advise the Secretary of Defense on intelligence matters. Under his direction and control, the DIA shall:

(a) Produce, or through tasking and coordination ensure the production of foreign intelligence required for support to the DIA mission. This function specifically includes the maintenance of a strong DoD scientific and technical intelligence program. For the purposes of this section, ''production'' includes the evaluation, correlation, analysis, interpretation and presentation of foreign intelligence.

(b) Provide intelligence and intelligence staff support to the Joint Chiefs of Staff in accordance with their requirements and established procedures.

(c) Ensure that adequate, timely and reliable intelligence is available to the Unified and Specified Commands.

(d) Participate in the DSARC process as established in DoD Directive 5000.2,[1] by providing the Director of Defense Research and Engineering with threat descriptions based on the information derived from intelligence and threat validation in support of systems acquisition.

(e) Supervise the DoD indications system and provide support to the National Military Command System through the National Military Intelligence Center.

(f) Validate, register, assign, recommend priorities for, and monitor the satisfaction of DoD collection requirements, including those requirements assigned under the provisions of DoD Directive S–3115.7.

(g) Provide central management for the Defense Attache 1 System.

(h) Participate in the National Photographic Interpretation Center and the Defense Special Missile and Astronautics Center.

(i) Establish, maintain and operate facilities for DoD imagery indexing, processing, duplication, evaluation exploitation and central repository services in support of DoD and other authorized recipients.

(j) Supervise a DoD-wide intelligence dissemination program and provide centralized dissemination services in support of DoD and other authorized recipients.

(k) Provide intelligence bibliography, reference library, and research services as required to fulfill the DIA mission.

(l) Operate the Defense Intelligence School.

(m) In coordination with other intelligence agencies concerned, recommend plans for intelligence operations, including plans for the use of national intelligence systems to support military operational commanders. As directed, coordinate the execution of approved intelligence operations plans.

(n) Subject to the staff supervision of the Assistant Secretary of Defense (Communications, Command, Control and Intelligence) (ASD(C^3 I)), act as manager for all aspects of Defense intelligence production within the General Defense Intelligence Program and recommend changes or improvements in collection systems to the ASD(C^3 I).

(o) Act as management authority for all DoD intelligence information systems except those systems dedicated to signals intelligence operations and support functions falling within the scope of DoD Directive S–3115.7.

(p) Establish and operate a DoD career development program for civilian general intelligence personnel; review, coordinate, and evaluate effectiveness of career development programs for military general intelligence personnel; conduct planning and guidance activities in coordination with DoD components on these programs to meet DoD requirements. Provide technical

[1] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

assistance in the development and conduct of DoD general intelligence training.

(q) Provide guidance, in conformance with policies of DoD and the Director of Central Intelligence, to DoD components concerning the release of Defense intelligence information to foreign governments, international organizations and the public.

(r) Administer DoD security policies and programs to protect intelligence and intelligence sources and methods, including direction of the Defense Special Security System.

(s) Adjudicate clearance eligibility for DIA civilian personnel and eligibility for access to compartmented intelligence for all personnel assigned to OSD, OJCS, and the Defense Agencies, with the exception of NSA, including contractors and consultants.

(t) Provide representation on national and international intelligence committees, boards and working groups, as appropriate.

(u) Provide the DoD focal point for relationships with foreign intelligence services.

(v) Prepare and submit to the Secretary of Defense the DIA program and budget.

(w) Ensure that all DIA policies, plans, programs, and activities are carried out in accordance with law and the provisions of Executive Orders and other directives from higher authority establishing oversight controls on foreign intelligence activities.

(x) Report to the Inspector General for Defense Intelligence and the General Counsel, Department of Defense, any activities that raise questions of legality or propriety.

(y) Establish and conduct or recommend research development, test and evaluation programs or projects to carry out the responsibilities assigned herein.

(z) Perform such other functions and services as the Secretary of Defense may from time to time assign.

[42 FR 33734, July 1, 1977. Redesignated and amended at 58 FR 39360, July 22, 1993]

§ 385.4 Organization and administration.

(a) The Director, DIA, will be a commissioned officer of suitable general of flag rank appointed by the Secretary of Defense from officers of the Armed Forces on active duty. The DIA shall be authorized such personnel, facilities, funds, and other administrative support as the Secretary of Defense deems necessary.

(b) The Director, DIA, shall report to the Secretary of Defense and the Chairman, Joint Chiefs of Staff. The Director, DIA, shall be under the operational control of the Joint Chiefs of Staff for the purposes of:

(1) Obtaining the intelligence support required to perform the statutory and assigned responsibilities of the Joint Chiefs of Staff; and

(2) Ensuring that adequate, timely and reliable intelligence support is available to the Unified and Specified Commands.

(c) Staff supervision of the DIA for the Secretary of Defense will be exercised by the Assistant Secretary of Defense (Communications, Command, Control, and Intelligence) with respect to resources, and by the Deputy Under Secretary of Defense (Policy Review) with respect to policy.

(d) The performance of the Director, DIA, will be evaluated by the Secretary of Defense. The Chairman, JCS, shall report on performance of the Director, DIA, concurrently with the Secretary of Defense's report.

[42 FR 32537, June 27, 1977, as amended at 44 FR 36032, June 20, 1979; 45 FR 84996, Dec. 24, 1980]

§ 385.5 Relationships.

(a) In the performance of his duties the Director, DIA, shall:

(1) Coordinate actions, as appropriate, with DoD components and governmental agencies having collateral or related functions in the field of his assigned responsibilities.

(2) Maintain liaison for the exchange of information and advice with DoD components and other governmental agencies in the field of his assigned responsibilities.

(b) The Military Departments and other DoD components shall provide such support and assistance to the DIA as may be necessary for carrying out its mission.

§385.6 Authorities.

A delegation of the administrative authorities required by the Director, DIA, to administer and direct the operations of the Agency is contained in §385.7. In the performance of assigned responsibilities and functions, the Director, DIA, is specifically delegated authority to:

(a) Establish, operate and control all organizations and activities assigned to DIA.

(b) Assign tasks and issue instructions and guidance to DoD components as necessary to carry out the functions assigned herein and such additional functions as may be assigned. All such assignments and issuance to a Military Department shall be through the Secretary of Defense or his designee. For activities under the cognizance of the Joint Chiefs of Staff, the Director, DIA, shall function as the intelligence staff officer of the Joint Staff and assign tasks in accordance with procedures of the Joint Chiefs of Staff.

(c) Have free and direct access to and communication with DoD components, the U.S. Intelligence Community, and other executive departments and agencies as necessary.

(d) Obtain from any DoD component such information as may be necessary for the performance of assigned functions, subject to the provisions of DoD Directive 5000.19.[2]

(e) Enter into agreements on intelligence exchanges and cooperation with foreign military intelligence services as required to fulfill the DIA mission.

[42 FR 33734, July 1, 1977. Redesignated and amended at 58 FR 39360, July 22, 1993]

§385.7 Delegation of authority.

Pursuant to the authority vested in the Secretary of Defense, the Director, DIA, or, in the absence of the Director, his designee, is hereby delegated, subject to the direction, authority, and control of the Secretary of Defense, and in accordance with DoD policies, authority as required in the administration and operation of DIA to:

(a) Exercise the power vested in the Secretary of Defense by 5 U.S.C. 302 and 5 U.S.C. 3101 pertaining to the employment, direction and general administration of DIA civilian personnel.

(b) Fix rates of pay for wage rate employees exempted from the Classification Act by 5 U.S.C. 5102, on the basis of rates established under the Coordinated Federal Wage System. DIA, in fixing such rates, shall follow the wage schedule established by the DoD Wage Fixing Authority.

(c) Establish such advisory committees and employ such part-time advisers as approved by the Secretary of Defense for the performance of DIA functions pursuant to the provisions of 10 U.S.C. 173, 5 U.S.C. 3109(b), and the agreement between the DoD and the Civil Service Commission on employment of experts and consultants, dated March 14, 1975.

(d) Administer oaths of office incident to entrance into the Executive Branch of the Federal Government or any other oath required by law in connection with employment therein, in accordance with the provisions of 5 U.S.C. 2903(b) and designate in writing, as may be necessary, officers and employees of DIA to perform this function.

(e) Establish a DIA Incentive Awards Board and pay cash awards to and incur necessary expenses for the honorary recognition of civilian employees of the Government whose suggestions, inventions, superior accomplishments, or other personal efforts, including special acts or services, benefit or affect DIA or its subordinate activities in accordance with the provisions of 5 U.S.C. 4503 and applicable Civil Service Regulations.

(f) In accordance with the provisions of 5 U.S.C. 7532; Executive Order 10450, ''Government Personnel Security Program,'' August 5, 1954; and 32 CFR part 156:

(1) Designate any position in DIA as a ''sensitive'' position;

(2) Authorize, in case of any emergency, the appointment to a sensitive position in the DIA for a limited period of time of a person for whom a full field investigation or other appropriate investigation, including the National Agency Check, has not been completed; and

[2] See footnote 1 to §385.3.

(3) Authorize the suspension, but not terminate the services of, an employee in the interest of national security in positions within DIA.

(g) Clear DIA civilian personnel and such other individuals as may be appropriate for access to classified Defense material and information in accordance with the provisions of 32 CFR part 156 and Executive Order 11652, ''Classification and Declassification of National Security Information and Material,'' March 8, 1972.

(h) Act as agent for the collection and payment of employment taxes imposed by chapter 21 of the Internal Revenue Code of 1954, as amended; and as such agent, make all determinations and certifications required or provided for under section 3122 of the Internal Revenue Code of 1954, as amended, and section 205(p) (1) and (2) of the Social Security Act, as amended (42 U.S.C. 405(p) (1) and (2)) with respect to DIA employees.

(i) Authorize and approve overtime work for DIA civilian officers and employees in accordance with the provisions of subchapter V, chapter 55, title 5, U.S. Code, and applicable Civil Service Regulations.

(j) Authorize and approve:

(1) Travel for DIA civilian employees in accordance with the Joint Travel Regulations, Volume 2, Department of Defense Civilian Personnel.

(2) Temporary duty travel for military personnel assigned or detailed to DIA in accordance with Joint Travel Regulations, Volume I for Members of the Uniformed Services.

(3) Invitational travel to persons serving without compensation whose consultive, advisory, or other highly specialized technical services are required in a capacity that is directly related to or in connection with DIA activities, pursuant to the provisions of 5 U.S.C. 5703.

(k) Approve the expenditure of funds available for travel by military personnel assigned or detailed to DIA for expense incident to attendance at meetings of technical, scientific, professional or other similar organizations in such instances when the approval of the Secretary of Defense or his designee is required by law (37 U.S.C. 412, 5 U.S.C. 4110 and 4111).

(l) Develop, establish, and maintain an active and continuing Records Management Program, pursuant to the provisions of section 506(b) of the Federal Records Act of 1950 (44 U.S.C. 3102).

(m) Establish and use imprest funds for making small purchases of material and services other than personal for DIA when it is determined more advantageous and consistent with the best interests of the Government, in accordance with the provisions of DoD Directive 5100.71,[3] ''Delegation of Authority and Regulations Relating to Cash Held at Personal Risk Including Imprest Funds,'' March 5, 1973.

(n) Authorize the publication of advertisements, notices, or proposals in newspapers, magazines, or other public periodicals as required for the effective administration and operation of DIA (44 U.S.C. 3702).

(o) Establish and maintain appropriate Property Accounts for DIA, and appoint Boards of Survey, approve reports of survey, relieve personal liability, and drop accountability for DIA property contained in the authorized Property Accounts that has been lost, damaged, stolen, destroyed, or otherwise rendered unserviceable in accordance with applicable laws and regulations.

(p) Promulgate the necessary security regulations for the protection of property and places under the jurisdiction of the Director, DIA, pursuant to subsection III.A and V.B. of DoD Directive 5200.8,[4] ''Security of Military Installations and Resources,'' July 29, 1980.

(q) Establish and maintain, for the functions assigned, an appropriate publications system for the promulgation of regulations, instructions, and reference documents, and changes thereto, pursuant to the policies and procedures prescribed in DoD Directive 5025.1,[5] ''Department of Defense Directives System,'' October 16, 1980.

(r) Enter into support and services agreements with the Military Departments, other DoD components, or other Government agencies as required for

[3] See footnote 1 to § 385.3.
[4] See footnote 1 to § 385.3.
[5] See footnote 1 to § 385.3.

the effective performance of responsibilities and functions assigned to DIA.

(s) Exercise the authority delegated to the Secretary of Defense by the Administrator of the General Services Administration with respect to the disposal of surplus personal property.

The Director, DIA, may redelegate these authorities, as appropriate, and in writing, except as otherwise specifically indicated above or as otherwise provided by law or regulation.

(t) Enter into and administer contracts, directly or through another DoD Component or other Federal Agency, as appropriate, for supplies, equipment, and services required to accomplish the mission of the Defense Intelligence Agency. Contracting will be accomplished in accordance with applicable laws, DoD regulations and the Defense Acquisition Regulation. To the extent that any law or executive order specifically limits the exercise of such authority to persons at the Secretarial level of the Military Department, such authority will be exercised by the appropriate Under Secretary of Defense.

[42 FR 33734, July 1, 1977, as amended at 45 FR 84996, Dec. 24, 1980. Redesignated and amended at 58 FR 39360, July 22, 1993]

PART 386—CENTRAL IMAGERY OFFICE

Sec.
386.1 Purpose and applicability.
386.2 Mission.
386.3 Organization and management.
386.4 Responsibilities and functions.
386.5 Relationships.
386.6 Delegations of authority.
386.7 Administration.

AUTHORITY: 10 U.S.C. 301 and E.O. 12333, 3 CFR, 1981 Comp., p. 200.

SOURCE: 57 FR 23157, June 2, 1992, unless otherwise noted. Redesignated at 58 FR 39360, July 22, 1993.

§386.1 Purpose and applicability.

(a) This part establishes a Central Imagery Office (CIO) within the Department of Defense to ensure that United States Government intelligence, mapping, charting and geodesy, and other needs for imagery are met effectively and efficiently in a manner conducive to national security, consistent with the authorities and duties of the Secretary of Defense and the Director of Center Intelligence under title 10, U.S.C., E.O. 12333, and DoD Directive 5240.1.[1]

(b) This part applies to the Office of the Secretary of Defense; the Military Departments; the Chairman of the Joint Chiefs of Staff and the Joint Staff; the Unified and Specified Combatant Commands; the Defense Agencies; and DoD Field Activities.

§386.2 Mission.

The Central Imagery Office shall provide support to the Department of Defense, the Central Intelligence Agency, and other Federal Government departments and agencies on matters concerning imagery relating to the national security.

§386.3 Organization and management.

The Central Imagery Office is hereby established as a defense agency of the Department of Defense under 10 U.S.C. and is hereby designated as a combat support agency. The Assistant Secretary of Defense for Command, Control, Communications, and Intelligence shall exercise overall supervision over the Central Imagery Office. The Central Imagery Office shall consist of a Director of the Central Imagery Office and such subordinate organizational elements, including the central imagery tasking authority required by §386.5(a)(4), as the Director establishes within the resources made available.

§386.4 Responsibilities and functions.

The Director of the Central Imagery Office shall:

(a) Organize, direct, and manage the Central Imagery Office and all assigned resources.

(b) Manage the establishment of national imagery collection requirements consistent with guidance received from the Director of Central Intelligence under E.O. 12333.

(c) Ensure responsive imagery support to the Department of Defense, the Central Intelligence Agency, and, as appropriate, other Federal Government

[1] Copies may be obtained from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

departments and agencies, including by coordination of imagery collection tasking, collection, processing, exploitation, and dissemination.

(d) Task imagery collection elements of the Department of Defense to meet national intelligence requirements, including requirements established by the Director of Central Intelligence in accordance with the National Security Act of 1947 and E.O. 12333, except that the Director of the Central Imagery Office shall advise an imagery collection element on collection of imagery to meet such national intelligence requirements when the collection element both:

(1) Is assigned to or under the operational control of the Secretary of a Military Department or a commander of a unified or specified command and,

(2) Is not allocated by the Secretary of Defense to meet national intelligence requirements.

(e) Advise imagery collection elements of the Department of Defense on the collection of imagery to meet non-national intelligence requirements.

(f) Establish, consistent to the maximum practicable extent with the overall functional architectures of the Department of Defense, the architectures for imagery tasking, collection, processing, exploitation, and dissemination within the Department of Defense, and, to the extent authorized by the heads of other departments or agencies with imagery tasking, collection, processing, exploitation, and dissemination functions establish the architectures for imagery tasking, collection, processing, exploitation, and dissemination within those departments or agencies.

(g) Establish, in coordination with the Director of the Defense Information Systems Agency, as appropriate, standards for imagery systems for which the Department of Defense has responsibility and ensure compatibility and interoperability for such systems, and, to the extent authorized by the heads of other departments or agencies with imagery systems, establish standards and ensure compatibility and interoperability with respect to the systems of those departments or agencies.

(h) Serve as the functional manager for a Consolidated Imagery Program within the National Foreign Intelligence Program consistent with applicable guidance received from the Director of Central Intelligence in accordance with the National Security Act of 1947 and E.O. 12333.

(i) Serve as the functional manager for the Tactical Imagery Program within the budget aggregation known as the Tactical Intelligence and Related Activites.

(j) Evaluate the performance of imagery components of the Department of Defense in meeting national and non-national intelligence requirements, and to the extent authorized by the heads of other departments or agencies with imagery tasking, collection, processing, exploitation, and dissemination functions evaluate the performance of the imagery components of those departments or agencies in meeting national and non-national intelligence requirements.

(k) Develop and make recommendations on national and non-national imagery policy, including as it relates to international matters, for the approval of appropriate Federal Government officials.

(l) Support and conduct research and development activities related to imagery tasking, collection, processing, exploitation, and dissemination, consistent with applicable law and Department of Defense directives.

(m) Protect intelligence sources and methods from unauthorized disclosure in accordance with guidance received from the Director of Central Intelligence under the National Security Act of 1947 and E.O. 12333.

(n) Ensure the compliance of the Central Imagery Office with 10 U.S.C. the National Security Act of 1947, E.O. 12333, DoD Directive 5240.1[2] and 5240.1–R[3] and other applicable laws and Department of Defense directives.

(o) Establish standards for training personnel performing imagery tasking, collection, processing, exploitation, and dissemination functions.

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[2] See footnote 1 to § 386.1(a).

[3] Copies may be obtained from Assistant Secretary of Defense for Command, Control, Communications, and Intelligence, ATTN: M. O'Byrne, Washington, DC 20301.

(p) Advise the Secretary of Defense and the Director of Central Intelligence on future needs for imagery systems.

(q) Ensure that imagery systems are exercised to support military forces.

(r) Perform such other functions related to imagery as the Secretary of Defense may direct.

[57 FR 23157, June 2, 1992. Redesignated and amended at 58 FR 39360, July 22, 1993]

§386.5 Relationships.

(a) In performing assigned functions, the Director of the Central Imagery Office shall:

(1) Communicate directly with the heads of Department of Defense components concerning imagery matters as appropriate.

(2) Maintain liaison with Executive branch entities on imagery matters as appropriate.

(3) To the extent permitted by law, make use of established facilities and services in the Department of Defense or other governmental agencies, whenever practicable, to achieve maximum efficiency and economy, with special emphasis on maximizing use of the existing personnel, facilities, and services of the Defense Intelligence Agency, the Defense Mapping Agency, the National Security Agency, and, to the extent authorized by the Director of Central Intelligence, the Central Intelligence Agency.

(4) Establish within the Central Imagery Office a central imagery tasking authority to execute the imagery collection tasking authority of the Director of the Central Imagery Office.

(b) The Secretaries of the Military Departments, the Chairman of the Joint Chiefs of Staff, and the heads of other Department of Defense components shall support the Director of the Central Imagery Office in the performance of the Director's functions, including by:

(1) Ensuring compliance with national intelligence tasking issued under §386.4(d).

(2) Ensuring compliance with the architectures and standards established by the Director of the Central Imagery Office under §386.4(f), (g), and (o).

(3) Assisting the Director in his role as functional manager for the Consolidated Imagery Program and the Tactical Imagery Program under §386.4(h) and (i).

(4) Submitting imagery collection requirements to the Director.

§386.6 Delegations of authority.

(a) The Assistant Secretary of Defense for Command, Control, Communications, and Intelligence is hereby delegated the authority to issue instructions to Department of Defense components to implement DoD Directive 5105.56[4]. Instructions to the Military Departments shall be issued through the Secretaries of the Military Departments. Instructions to the commanders in chief of the Unified and Specified Combatant Commands shall be issued through the Chairman of the Joint Chiefs of Staff.

(b) The Director of the Central Imagery Office is hereby delegated the authority to obtain reports, information, advice, and assistance, consistent with DoD Directive 7750.5[5], as necessary, in the performance of the Director's assigned functions.

[57 FR 23157, June 2, 1992. Redesignated and amended at 58 FR 39360, July 22, 1993]

§386.7 Administration.

(a) The Director of the Central Imagery Office shall be appointed by the Secretary of Defense on the recommendation of the Director of Central Intelligence.

(b) The Director of the Central Imagery Office shall obtain administrative support, including personnel, budget execution, and contracting services, from the Defense Intelligence Agency and, to the extent permitted by law and approved by the Secretary of Defense and the Director of Central Intelligence, the Central Intelligence Agency.

(c) Resources for the Central Imagery Office shall be provided through the National Foreign Intelligence Program and the budget aggregation known as Tactical Intelligence and Related Activities, in accordance with applicable planning, programing, and budgeting system processes.

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[4] See footnote 1 to §386.1(a).

[5] See footnote 1 to §386.1(a).

PART 387—DEFENSE CONTRACT AUDIT AGENCY

Sec.
387.1 Purpose.
387.2 Mission.
387.3 Organization and management.
387.4 Responsibilities and functions.
387.5 Authority.
387.6 Relationships.
387.7 Administration.
387.8 Delegations of authority.

AUTHORITY: 10 U.S.C. chapter 4.

SOURCE: 43 FR 32755, July 28, 1978, unless otherwise noted. Redesignated at 58 FR 39360, July 22, 1993.

§ 387.1 Purpose.

Pursuant to authority vested in the Secretary of Defense under the provisions of title 10, United States Code, this part establishes the Defense Contract Audit Agency (hereafter referred to as ''DCAA'') with responsibilities, functions, authorities, and relationships as outlined below.

§ 387.2 Mission.

DCAA shall:

(a) Perform all necessary contract audit for the Department of Defense and provide accounting and financial advisory services regarding contracts and subcontracts to all Department of Defense components responsible for procurement and contract administration. These services will be provided in connection with negotiation, administration, and settlement of contracts and subcontracts.

(b) Provide contract audit service to other Government agencies as appropriate.

§ 387.3 Organization and management.

(a) DCAA is established as a separate agency of the Department of Defense under the direction, authority and control of the Assistant Secretary of Defense (Comptroller). It shall consist of a Director and such subordinate organizational elements as are established by the Director within resources authorized by the Secretary of Defense.

(b) No separate contract audit organization independent of the DCAA shall be established in the Department of Defense.

§ 387.4 Responsibilities and functions.

The Director, DCAA, shall:

(a) Organize, direct, and manage the DCAA and all resources assigned to the DCAA.

(b) Assist in achieving the objective of prudent contracting by providing DoD officials responsible for procurement and contract administration with financial information and advice on proposed or existing contracts and contractors, as appropriate.

(c) Audit, examine and/or review contractors' and subcontractors' accounts, records, documents, and other evidence; systems of internal control; accounting, costing, and general business practices and procedures; to the extent and in whatever manner is considered necessary to permit proper performance of the other functions described in paragraphs (d) through (l) of this section.

(d) Examine reimbursement vouchers received directly from contractors, under cost-type contracts, transmitting those vouchers approved for payment to the cognizant disbursing officer and issuing DCAA Form 1, ''Notice of Contract Costs Suspended and/or Disapproved,'' with a copy to the cognizant contracting officer, with respect to costs claimed but not considered allowable. Where the contractor disagrees with a suspension or disallowance action by DCAA, and the difference cannot be resolved, the contractor may appeal in writing to the Administrative Contracting Officer (ACO) who will make his determination in writing. In addition, the contracting officer may direct the issuance of DCAA Form 1, ''Notice of Contract Costs Suspended and/or Disapproved,'' with respect to any cost which he has reason to believe should be suspended or disapproved.

(e) Provide advice and recommendations to procurement and contract administration personnel on:

(1) Acceptability of costs incurred under redeterminable, incentive and similar type contracts.

(2) Acceptability of incurred costs and estimates of cost to be incurred as represented by contractors incident to the award, negotiation, modification, change, administration, termination, or settlement of contracts.

(3) Adequacy of financial or accounting aspects of contract provisions.

(4) Adequacy of contractors' accounting and financial management systems, adequacy of contractors' estimating procedures and adequacy of property controls.

(f) Assist responsible procurement or contract administration activities in their surveys of the purchasing-procurement systems of major contractors.

(g) Direct audit reports to the Government management level having authority and responsibility to take action on the audit findings and recommendations.

(h) Cooperate with other appropriate Department of Defense components on reviews, audits, analyses, or inquiries involving contractors' financial position or financial and accounting policies, procedures, or practices.

(i) Establish and maintain liaison auditors as appropriate at major procuring and contract administration offices.

(j) Review General Accounting Office reports and proposed responses thereto which involve significant contract or contractor activities for the purpose of assuring the validity of appropriate pertinent facts contained therein.

(k) In an advisory capacity, attend and participate, as appropriate, in contract negotiation and other meetings which contract cost matters, audit reports, or related financial matters are under consideration.

(l) Provide assistance, as requested in the development of procurement policies and regulations.

(m) Perform such other functions as the Assistant Secretary of Defense (Comptroller) may from time to time prescribe.

§387.5 Authority.

The Director, DCAA, is specifically delegated authority to:

(a) Have free and unrestricted access to and direct communication with all elements of the Department of Defense and other executive departments and agencies as necessary.

(b) Establish Defense Contract Audit Agency facilities using appropriate established physical facilities and services of other DoD components whenever practicable to achieve maximum efficiency and economy.

(c) Obtain such information, consistent with the policies and criteria of DoD directive 5000.19,[1] advice, and assistance from DoD components as he deems necessary.

(d) Exercise the administrative authorities contained in §387.8 of this part.

[43 FR 32755, July 28, 1978. Redesignated and amended at 58 FR 39360, July 22, 1993]

§387.6 Relationships.

(a) In the performance of his functions, the Director, DCAA, shall:

(1) Maintain appropriate liaison with other components of the DoD, other agencies of the executive branch, and the General Accounting Office for the exchange of information and programs in the field of assigned responsibilities.

(2) Make full use of established facilities in the Office of the Secretary of Defense, other DoD components, and other governmental agencies rather than unnecessarily duplicating such facilities.

(3) The military departments and other DoD components shall provide support, within their respective fields of responsibility, to the Director, DCAA to assist in carrying out the assigned responsibilities and functions of the Agency. Programing, budgeting and financing for such support will be in accordance with policies and procedures prescribed by the Assistant Secretary of Defense (Comptroller).

(b) Procurement and contract administration activities of the DoD components shall utilize audit services of the DCAA to the extent appropriate in connection with the negotiation, administration, and settlement of contract payments and prices which are based on cost (incurred or estimated), or on cost analysis.

§387.7 Administration.

(a) The Director, DCAA, shall be a civilian selected by the Secretary of Defense.

[1] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

(b) The apointment of other personnel to the Agency will be subject to the approval of the Director, DCAA.

(c) DCAA will be authorized such personnel, facilities, funds, and other administrative support as the Secretary of Defense deems necessary.

§ 387.8 Delegations of authority.

Pursuant to the authority vested in the Secretary of Defense, and subject to his direction, authority, and control, and in accordance with DoD policies, directives, and instructions, the Director, DCAA, or, in the absence of the Director the person acting for him, is hereby delegated authority as required in the administration and operation of DCAA to:

(a) Exercise the powers vested in the Secretary of Defense by 5 U.S.C. 301, 302(b) and 3101 pertaining to the employment, direction and general administration of DCAA civilian personnel.

(b) Fix rates of pay for wage board employees exempted from Civil Service classification by 5 U.S.C. 5102(c)(7) on the basis of prevailing rates for comparable jobs in the locality where each installation is located.

(c) Establish advisory committees and employ part-time advisers pursuant to the provisions of 10 U.S.C. 173, 5 U.S.C. 3109(b), the Federal Advisory Committee Act, and the Agreement between the Department of Defense (DoD) and the Civil Service Commission on employment of experts and consultants, dated March 14, 1975.

(d) Administer oaths of office incident to entrance into the executive branch of the Federal Government or any other oath required by law in connection with employment therein, in accordance with the provisions of 5 U.S.C. 2903, and designate in writing, as may be necessary, officers and employees of DCAA to perform this function.

(e) Establish a DCAA incentive awards board and pay cash awards to, and incur necessary expenses for the honorary recognition of civilian employees of the Government whose suggestions, inventions, superior accomplishments or other personal efforts, including special acts or services, benefit or affect DCAA or its subordinate activities in accordance with the provisions of 5 U.S.C. 4503 and Civil Service regulations.

(f) In accordance with the provisions of 5 U.S.C. 7532; Executive Order 10450, dated April 27, 1953, as amended; and DoD directive 5210.7, ''Department of Defense Civilian Applicant and Employee Security Program,'' September 2, 1966:

(1) Designate any position in DCAA as a ''sensitive'' position;

(2) Authorize, in case of an emergency, the appointment of a person to a sensitive position in the Agency for a limited period of time for whom a full field investigation or other appropriate investigation, including the National Agency Check, has not been completed; and

(3) Authorize the suspension, but not to terminate the services of an employee in the interest of national security in positions within DCAA.

(g) Clear DCAA personnel and such other individuals as may be appropriate for access to classified Defense material and information in accordance with the provisions of DoD directive 5210.8, ''Policy on Investigation and Clearance of DoD Personnel for Access to Classified Defense Information,'' February 15, 1962, and of Executive Order 11652, dated March 8, 1972, as amended.

(h) Act as agent for the collection and payment of employment taxes imposed by chapter 21 of the Internal Revenue Code of 1954 and, as such agent, make all determinations and certifications required or provided for under section 3122 of the Internal Revenue Code of 1954 and section 205(p) (1) and (2) of the Social Security Act, as amended (42 U.S.C. 405(p) (1) and (2)) with respect to DCAA employees.

(i) Authorize and approve overtime work for DCAA civilian officers and employees in accordance with the provisions of the Federal Personnel Manual Supplement 990–1, Section 550–111.

(j) Authorize and approve:

(1) Travel for DCAA civilian officers and employees in accordance with Joint Travel Regulations, Volume 2, DoD Civilian Personnel;

(2) Temporary duty travel only for military personnel assigned or detailed to DCAA in accordance with Joint

Travel Regulations, Volume 1, Members of Uniformed Services; and

(3) Invitational travel to persons serving without compensation whose consultive, advisory or other highly specialized technical services are required in a capacity that is directly related to, or in connection with DCAA activities, pursuant to the provisions of 5 U.S.C. 5703.

(k) Approve the expenditure of funds available for travel by military personnel assigned or detailed to DCAA for expenses incident to attendance at meetings of technical, scientific, professional or other similar organizations in such instances where the approval of the Secretary of Defense or his designee is required by law (37 U.S.C. 412). This authority cannot be redelegated.

(l) Develop, establish and maintain an active and continuing records management program, pursuant to the provisions of section 506(b) of the Federal Records Act of 1950 (44 U.S.C. 3102), the Freedom of Information Act program (5 U.S.C. 552) and the Privacy Act program (5 U.S.C. 552a).

(m) Establish and use imprest funds for making small purchases of material and services other than personal for DCAA when it is determine more advantageous and consistent with the best interests of the Government, in accordance with the provisions of DoD Instruction 5100.71, ''Delegation of Authority and Regulations Relating to Cash Held at Personal Risk Including Imprest Funds,'' March 5, 1973, and the Joint Regulation of the General Services Administration/Treasury Department/General Accounting Office, entitled ''For Small Purchases Utilizing Imprest Funds.''

(n) Authorize the publication of advertisements, notices or proposals in newspapers, magazines or other public periodicals as required for the effective administration and operation of DCAA (44 U.S.C. 3702).

(o) Establish and maintain appropriate property accounts for DCAA and appoint boards of survey, approve reports of survey, relieve personal liability, and drop accountability for DCAA property contained in the authorized property accounts that has been lost, damaged, stolen, destroyed or otherwise rendered unserviceable, in accordance with applicable laws and regulations.

(p) Promulgate the necessary security regulations for the protection of property and places under the jurisdiction of the Director, DCAA, pursuant to subsections III.A and V.B. of DoD Directive 5200.8, ''Authority of Military Commanders Under the Internal Security Act of 1950 to Issue Security Orders and Regulations for the Protection of Property or Places Under Their Command,'' August 20, 1954.

(q) Establish and maintain, for the functions assigned, an appropriate publications system for the promulgation of common supply and service regulations, instructions, and reference documents, and changes thereto, pursuant to the policies and procedures prescribed in DoD Directive 5025.1, ''Department of Defense Directive System,'' November 18, 1977.

(r) Enter into support and service agreements with the military departments, other DoD agencies, or other Government agencies as required for the effective performance of responsibilities and functions assigned to DCAA.

PART 388—BALLISTIC MISSILE DEFENSE ORGANIZATION (BMDO)

Sec.
388.1 Purpose.
388.2 Applicability.
388.3 Mission.
388.4 Organization and management.
388.5 Functions and responsibilities.
388.6 Relationships.
388.7 Authorities.
388.8 Administration.

APPENDIX A TO PART 388—DELEGATIONS OF AUTHORITY

AUTHORITY: 10 U.S.C. 113.

SOURCE: 59 FR 43477, Aug. 24, 1994, unless otherwise noted.

§388.1 Purpose.

Under the authority vested in the Secretary of Defense by 10 U.S.C. 113, this part establishes the BMDO as an agency of the Department of Defense with the responsibilities, functions, relationships, and authorities as prescribed herein.

§ 388.2 Applicability.

This part applies to the Office of the Secretary of Defense (OSD), the Military Departments, the Chairman of the Joint Chiefs of Staff, the Unified Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, and the DoD Field Activities (hereafter referred to collectively as ''the DoD Components'').

§ 388.3 Mission.

(a) BMDO shall manage, direct, and execute the Ballistic Missile Defense Program (BMDP) to achieve the following objectives:

(1) Enable deployment of an effective and rapidly relocatable advanced theater missile defense capability to protect forward-deployed and expeditionary elements of the Armed Forces of the United States as well as friends and allies of the United States;

(2) Develop options for, and deploy when directed, an antiballistic missile (ABM) system that is capable of providing effective defense of the U.S. homeland against limited attacks of ballistic missiles, including accidental, unauthorized launches or deliberate attacks;

(3) Demonstrate advanced technologies—as options for enhancing initial BMD systems—such as space-based defenses and their associated sensors that could provide an overlay to ground-based interceptors; and

(4) Continue programs of basic and applied research to develop follow-on technologies for both near-term and future technology insertion options and new system options to sustain a highly effective missile defense capability.

(b) The BMDP shall provide the basis for informed decisions regarding development, production, and deployment milestones, and shall be carried out in full consultation and, where appropriate, with participation of our allies. The program shall be conducted in compliance with all existing international agreements and treaty obligations and shall utilize nonnuclear weapon technologies to achieve the deployments in paragraphs (a)(1) and (a)(2) of this section. The BMDP shall focus on the development, acquisition, and integration of theater missile defenses and strategic defenses against ballistic missile threats to the United States.

§ 388.4 Organization and management.

(a) BMDO shall consist of a Director and such subordinate organizational elements as are established by the Director within resources authorized by the Secretary of Defense. The Director, BMDO, shall serve also as the BMD Acquisition Executive (BMDAE) for BMDO-funded programs and/or projects.

(b) The Under Secretary of Defense for Acquisition and Technology (USD(A&T)), as the Defense Acquisition Executive (DAE), shall provide DoD oversight and guidance for the BMD acquisition program, and shall conduct formal reviews, including Defense Acquisition Board milestone reviews, for BMDPs. All such reviews shall emphasize streamlined acquisition strategies. The USD(A&T) shall provide oversight for the BMD technology base activities contained in the BMDP.

(c) A BMD Acquisition Review Council (BMDARC) may be established by the BMDAE to assist the BMDAE to:

(1) Review BMDP progress in preparation for acquisition milestone decisions;

(2) Resolve critical programmatic and technical issues; and

(3) Determine specific program directions.

(4) The Service Acquisition Executives (SAEs) and Vice Chiefs of Staff of the Services shall provide representatives to the BMDARC. Membership shall also include representatives of the Vice Chairman of the Joint Chiefs of Staff and Commanders of the Unified Combatant Commands, as necessary.

§ 388.5 Functions and responsibilities.

The Director, BMDO, is responsible for BMD programmatic policy, requirements, priorities, systems, resources, and programs, and is responsible and accountable for the research, development, and transition of BMD systems to the Military Departments and operations by the Combatant Commands. The Director shall:

(a) Organize, direct, and manage BMDO and all assigned resources and

activities; provide for the procurement and fielding of assigned systems; and administer and supervise all programs, services, and items under the BMDP to include but not be limited to:

(1) Theater missile defense systems;

(2) The U.S. ballistic missile defense systems; and

(3) Other antiballistic missile systems or upgrades as may be assigned by the USD(A&T).

(b) Develop programmatic policies and issue program guidance and direction to the DoD Components consistent with U.S. national security policy.

(c) Establish the BMD management network including BMDO, the Services, and other Agencies to execute all program activities; and delegate appropriate authority to key individuals to ensure successful program execution and integration.

(d) Establish the systems and procedures necessary to coordinate integration into the overall BMDP of the major BMD acquisition programs and other acquisition programs that directly relate to the BMDP's objectives for development and deployment.

(e) Develop systems' standards and procedures for the administration and management of approved BMD plans and programs; establish program goals and objectives; set priorities; and evaluate BMDP activities of DoD Components and, as appropriate, those of other Federal Agencies.

(f) Prepare the BMDP objectives memoranda and budget submissions in coordination with appropriate DoD Components; make determinations regarding priorities and resources; provide recommendations on program budget decisions to the USD(A&T), Comptroller of the Department of Defense, and Director, Program Analysis and Evaluation, for incorporation into the planning, programming, and budgeting system process; and initiate and implement congressional reprogramming actions.

(g) Make such determinations regarding priorities and resources in coordination with appropriate DoD Components to include the Joint Requirements Oversight Council, as may be required to achieve approved program objectives and to enable the incremental development and deployment of BMD systems for U.S. Forces, the United States, and allies.

(h) In coordination with the USD(A&T) and appropriate DoD officials, identify Military Department, Defense Agency, and BMDO responsibilities for program execution, and in such cases where source-selection is not delegated to the Military Departments and Defense Agencies, retain that authority within BMDO.

(i) Develop mechanisms for coordinating BMDPs with other DoD research, development, test, and evaluation efforts.

(j) Oversee, in coordination with appropriate DoD Components, the participation of U.S. allies and friends in the BMD technical cooperation programs.

(k) Provide periodic program reviews and milestone decision information to the DAE, as well as to the BMDARC.

(l) Serve as principal DoD official responsible for presenting the BMDP budget to the Congress.

(m) Ensure that jointly funded programs have been reviewed by appropriate SAEs prior to initiating programmatic discussions with the USD(A&T).

(n) Serve as principal public spokesperson for the BMDP.

(o) Promote coordination, cooperation, and mutual understanding within the Department of Defense and between the Department of Defense and other Federal Agencies, and the civilian community with respect to BMD matters.

(p) Serve on boards, committees, and other groups pertaining to BMD activities, functions, and responsibilities.

(q) Establish internal procedures for compliance with the ABM Treaty and other Arms Control Agreements, pursuant to DoD Directive 2060.1.

(r) Perform such other duties as the USD(A&T) may prescribe.

§388.6 Relationships.

(a) In the performance of assigned functions, the Director, BMDO, shall:

(1) Serve under the authority, direction, and control of them USD(A&T).

(2) Serve as a member of the Defense Planning and Resources Board, when BMD matters are under consideration, and Chairman of the BMDARC.

(3) Consult with the Secretaries of the Military Departments, Chairman of the Joint Chiefs of Staff, and Under Secretary of Defense for Policy when addressing issues under their respective purview, to include the strategy and policy implications of defensive capabilities.

(4) Operate within the DoD Acquisition System, as defined in DoD Directive 5000.1[1] and DoD Instruction 500.2,[2] taking direction from the USD(A&T); and work directly with appropriate OSD committees and offices.

(5) Establish, in consultation with the USD(A&T), mechanisms for coordination of BMDPs with other DoD technical efforts; and coordinate and exchange information with other DoD officials having collateral or related functions.

(6) Establish procedures for streamlined communication with each Military Department and Defense Agency involved in the BMDP.

(7) Maintain active liaison for the exchange of information and advice in the field of assigned responsibility with all the DoD Components, other U.S. Government activities, and non-DoD research institutions (including private business entities and educational institutions).

(8) Through the USD(A&T), keep the Secretary of Defense, the Deputy Secretary of Defense, the DoD Components, and non-DoD U.S. Government Agencies informed, as appropriate, on schedules, status, and significant new developments, breakthroughs, and technological advances within assigned projects.

(9) Use existing facilities and services of the Department of Defense and other Federal Agencies, whenever practicable, to avoid duplication and to achieve maximum efficiency and economy.

(b) The Heads of the DoD Components shall:

(1) Provide support within their respective fields of responsibilities, to the Director, BMDO, as required, to carry out the responsibilities and functions assigned to BMDO.

(2) Provide information, as necessary, to the Director, BMDO, on all programs and activities that include, or are related to, BMD research, technology, and the BMDP.

(c) The Secretaries of the Military Departments and Directors of Defense Agencies shall:

(1) Execute BMD element programs and BMD technology development efforts as recommended by the Director, BMDO, and approved by the Secretary of Defense.

(2) Provide the personnel (to include a BMD Program Executive Officer and Element Program Managers) and the infrastructure necessary to support all Service BMD activities.

(3) Provide program recommendations and advice to the Director, BMDO on budgeting, resources, and program execution.

(4) Provide advice on BMD activities, including readiness for advancing through the acquisition process, technical and programmatic issues, and general program guidance.

(5) Submit program documentation and reports required by the Director, BMDO, in support of DAE reviews and milestone decisions.

§ 388.7 Authorities.

The Director, BMDO, is hereby delegated authority to:

(a) Communicate directly and enter into agreements with heads of DoD Components, as necessary, in carrying out assigned responsibilities. Communications with the Commanders of the Unified Combatant Commands shall be communicated through the Chairman of the Joint Chiefs of Staff.

(b) Recommend to the USD(A&T) revisions or exceptions to Military Department and/or Defense Agency regulations, directives, procedures, or instructions for, or related to, system acquisition for individual or a class of BMD requirements as determined necessary to accomplish the BMD objectives.

(c) Enter into and administer contracts, directly or through a Military Department, as appropriate, for supplies, equipment, and services required to accomplish the mission of the BMDO.

[1] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

[2] See footnote 1 to § 388.6(a)(4).

(d) Serve as the head of an Agency and Contracting Activity, and act as the Senior Procurement Executive, within the meaning of and subject to the limitations of 48 CFR 202.101 and 48 CFR 2.1, for the BMDO.

(e) Authorize the allocation and/or sub-allocation of funds made available to BMDO for assigned research, development, test, and acquisition projects.

(f) Acquire or construct, through a Military Department or other Government Agency, such research, development, and test facilities and equipment required to carry out assignments that may be approved by the Secretary of Defense or Deputy Secretary of Defense as recommended by the USD(A&T), in accordance with applicable statutes.

(g) Negotiate agreements, as necessary, with other U.S. Agencies and organizations to ensure proper coordination and execution of the BMDP.

(h) Negotiate agreements, as necessary, with foreign governments to execute allied participation in the BMDP. These agreements shall be subject to approval by duly appointed DoD authorities, in accordance with DoD Directive 5530.3.[3]

(i) Establish, in coordination with appropriate DoD Components, special security procedures for sensitive BMDPs.

(j) Exercise original classification authority over BMDO funded technology development and acquisition programs. In general, where another DoD Component has been designated for program execution, original classification authority will be delegated to that Component as part of a program management agreement with BMDO. All original classification decisions must be made in coordination with the BMDO, Military Departments, and other appropriate DoD organizations.

(k) Exercise foreign disclosure authority over BMDO funded technology development and acquisition programs. In general, where another DoD Component has been designated for program execution, foreign disclosure authority will be delegated to that Component as part of a program management agreement with BMDO. All foreign disclosure decisions must be made in accordance with National Disclosure Policy and applicable DoD procedures, and be coordinated with the BMDO, Military Departments, and other appropriate DoD organizations.

(l) Carry out the functions and exercise the responsibilities of the Theater Missile Defense Initiative Office, as established by section 231 of the National Defense Authorization Act for Fiscal Year 1993.

(m) Exercise the administrative authorities contained in appendix A to this part.

[3] See footnote 1 to §388.6(a)(4).

§388.8 Administration.

(a) The Director, BMDO, shall be appointed by the Secretary of Defense, upon recommendation from the USD(A&T).

(b) The Military Departments shall assign personnel to BMDO, in accordance with approved authorizations and procedures for joint duty assignment and the Defense Acquisition Workforce Improvement Act.

(c) Administrative support required for BMDO shall be provided by the other DoD Components, as appropriate.

(d) The Director, BMDO, shall consult on all key military and civilian personnel assignments within the BMD management network.

APPENDIX A TO PART 388—DELEGATIONS OF AUTHORITY

Pursuant to the authority vested in the Secretary of Defense, and in accordance with DoD policies, Directives, and Instructions, the Director, BMDO, or, in the absence of the Director, the person acting for the Director, is hereby delegated authority, in the administration and operation of the BMDO, to:

1. Perform the following functions in accordance with the provisions of 5 U.S.C. 7532; Executive Order 10450, 3 CFR, 1949–1953 Comp., p. 936 and 32 CFR part 154.

a. Designate and position in the BMDO as a ''sensitive'' position.

b. Authorize, in case of an emergency, the appointment of a person to a sensitive position in the BMDO, for a limited period of time, for whom a full field investigation or other appropriate investigation, including the National Agency Check, has not been completed.

c. Authorize the suspension, but not the termination, of the services of a BMDO employee in the interest of national security.

2. Authorize and approve:

a. Travel for BMDO civilian employees, in accordance with Joint Travel Regulations,[1] Volume II.

b. Temporary duty travel only for military personnel assigned or detailed to BMDO, in accordance with Joint Travel Regulations, Volume I.

c. Invitational travel to persons serving without compensation whose consultative, advisory, or other specialized technical services are required in a capacity directly related to, or in connection with, BMDO activities.

3. Approve the expenditure of funds available for travel by military personnel assigned or detailed to BMDO for expenses incident to attendance at meetings of technical, scientific, professional, or other similar organizations in such instances where the approval of the Secretary of Defense or designee is required by law (37 U.S.C. 412).

4. Develop, establish, and maintain an active and continuing Records Management Program under DoD Directive 5015.2;[2] DoD Directive 5400.7;[3] and DoD Directive 5400.11.[4]

5. Establish and use imprest funds for making small purchases of material and services, other than personal, for the BMDO when it is determined more advantageous and consistent with the best interests of the Government, in accordance with DoD Directive 7360.10[5] and Volume 5, DoD 7000.14–R,[6] and the Joint Regulation of the General Services Administration-Treasury.[7]

6. Authorize and approve overtime work for civilian personnel in BMDO, in accordance with provisions of the Federal Personnel Manual Supplement[8] 990–1, section 550.11.

7. Establish and maintain appropriate property accounts for BMDO and appoint boards of survey, approve reports of survey, relieve personal liability, and drop accountability for BMDO property contained in the authorized property accounts that have been lost, damaged, stolen, destroyed, or otherwise rendered unserviceable, in accordance with applicable laws and regulations.

8. Establish and maintain for the functions assigned an appropriate publications system for the promulgation of regulations, Instructions, and reference documents, and changes thereto, pursuant to the policies and procedures prescribed in DoD 5025.1–M.[9]

9. Issue the necessary security regulations for protection of property and places under the jurisdiction of the BMDO, under DoD Directive 5200.8.[10]

10. Exercise original TOP SECRET classification authority.

11. Establish security classification guidance and review policy.

12. Enter into inter-service support agreements with the Military Departments, other DoD Components, or other Government Agencies, as required, for the effective performance of responsibilities and functions assigned to the BMDO.

13. Establish advisory committees pursuant to the provisions of the Federal Advisory Committee Act of 1972 (Pub. L. 92–463) and DoD Directive 5105.18.[11]

14. Authorize the publication of advertisements, notices, or proposals in newspapers, magazines, or other public periodicals as required for the effective administration and operation of BMDO (44 U.S.C. 3702).

15. Request specific Military Departments and Defense Agencies to serve as contracting activities for the BMDO, as necessary.

PART 390—ARMED FORCES RADIOBIOLOGY RESEARCH INSTITUTE

Sec.
390.1 Purpose.
390.2 Applicability.
390.3 Policy.
390.4 Responsibilities.
390.5 Organization.
390.6 Functions.
390.7 Authority.
390.8 Effective date and implementation.

AUTHORITY: 10 U.S.C. 133.

SOURCE: 53 FR 16254, May 6, 1988, unless otherwise noted.

§ 390.1 Purpose.

This part is issued to update and clarify the responsibilities and functions of the Armed Forces Radiobiology Research Institute

[1] Copies may be obtained, at cost, from the Superintendent of Documents, Government Printing Office, Washington, DC 20402.

[2] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

[3] See footnote 2 to section 4. of this appendix.

[4] See footnote 2 to section 4. of this appendix.

[5] See footnote 2 to section 4. of this appendix.

[6] See footnote 2 to section 4. of this appendix.

[7] See footnote 1 to section 2.a. of this appendix.

[8] See footnote 1 to section 2.a. of this appendix.

[9] See footnote 2 to section 4. of this appendix.

[10] See footnote 2 to section 4. of this appendix.

[11] See footnote 2 to section 4. of this appendix.

(AFRRI). It sets forth the organizational relationships and establishes the management and administrative procedures for AFRRI, in accordance with 32 CFR part 381 and provides for the establishment of a Board of Governors.

§390.2 Applicability.

This part applies to the Office of the Secretary of Defense (OSD), the Military Departments, the Organization of the Joint Chiefs of Staff (NJCS), and the Defense Agencies (hereafter referred to collectively as ''DoD Components''). The term ''Military Services,'' as used herein, refers to the Army, Navy, Air Force, and Marine Corps.

§390.3 Policy.

It is DoD Policy that:

(a) AFRRI is designated a subordinate command of the Defense Nuclear Agency (DNA) established under the authority vested in the Secretary of Defense.

(b) AFRRI shall serve as the principal ionizing radiation radiobiology research laboratory for the Department of Defense and shall support defense research requirements identified by the DoD Components. AFRRI may provide services and perform cooperative research with other Federal and civilian agencies and institutions with the approval of the Director, DNA.

(c) The mission of AFRRI shall be to conduct research in the field of radiobiology and related matters essential to the operational and medical support of the Department of Defense and the Military Services.

(d) For purposes of cognizance by the Under Secretary of Defense for Acquisition (USD(A)), the AFRRI program shall be considered an integral part of the medical and life sciences research, development, test, and evaluation program.

§390.4 Responsibilities.

(a) The *Director, Defense Nuclear Agency*, shall:

(1) Manage the AFRRI, as provided by 32 CFR part 381.

(2) Provide adequate support for the operation and maintenance of AFRRI within the limits of resources available to the DNA for such purposes.

(3) Chair the AFRRI Board of Governors, which shall consist of the Surgeons General of the Army, Navy, and Air Force; the Deputy Chiefs of Staff for Operations of the Army, Navy, and Air Force, or their designated representatives; and representatives of the (USD(A)) and the Assistant Secretary of Defense for Health Affairs (ASD(HA)). The Board of Governors shall:

(i) Meet at least annually and at the call of the Chair.

(ii) Invite advisors to these meetings.

(iii) Make periodic visits to AFRRI.

(iv) Advise the Director, DNA, and the Director, AFRRI, on AFRRI's performance by doing the following:

(A) Review the AFRRI research program and scientific findings.

(B) Provide advice on the long term direction of AFRRI's research program.

(C) Facilitate the communication of Service requirements and the dissemination of AFRRI research findings.

(D) Review Service nominations for Director, AFRRI, and provide a prioritized list of nominees to the Director, DNA.

(b) The *Director, Armed Forces Radiobiology Research Institute* (AFRRI), shall:

(1) Execute the approved day-to-day research program.

(2) Prepare the AFRRI long-range research program; annual planning, programming, and budgeting system submission; and facilities master plans for approval by the Director, DNA.

(3) Plan, program, and budget for funds to include in the DNA program. This does not prevent AFRRI's participation in reimbursable activities, subject to the approval by the Director, DNA.

§390.5 Organization.

AFRRI shall consist of a Director, a Scientific Director, and a supporting staff:

(a) The Director, AFRRI, shall be a military officer (in grade O–6) who holds an earned doctoral degree in one of the life sciences. The candidates for Director shall be nominated by the Surgeons General of the Army, Navy, and Air Force. Each Service shall nominate one individual with the proper background. Candidates shall be

nominated on the basis of professional qualifications and demonstrated management ability. The Board of Governors shall review the Service nominees and provide a prioritized list of candidates to the Director, DNA, who shall select and appoint the Director, AFRRI. This appointment shall be for a 4-year period.

(b) The Scientific Director shall be a civilian with professional qualifications acceptable to the Board of Governors and the Director, AFRRI.

(c) The professional, technical, and supporting staff shall consist of military and civilian personnel authorized by a Joint Table of Distribution (JTD), developed by the Director, AFRRI, with approval of Director, DNA, and approved by the Joint Chiefs of Staff (JCS). Insofar as possible, the military members of the staff shall be provided equally by the Military Departments.

(d) The Military Departments shall assign military personnel to AFRRI in accordance with approved authorizations. Procedures for such assignments shall be as agreed between the Director, DNA, and the individual Military Departments.

(e) The pay, allowances (including subsistence), and permanent change-of-station costs of military personnel assigned to AFRRI shall be budgeted for and paid by the Military Department concerned. Additionally, these and other costs that are caused by or benefiting AFRRI, regardless of financing, shall be allocated to AFRRI in accordance with DoD Instruction 7220.24[1] to identify the total cost associated with operating AFRRI and the share of that total cost allocatable to each of AFRRI's research projects.

§ 390.6 Functions.

Under established DoD policies, AFRRI shall:

(a) Operate research facilities for the study of radiobiology and ionizing radiation bioeffects, and disseminate the results.

(1) The scope of this research shall reflect requirements identified by DoD Components in support of military operational planning and employment (current and future), and shall give special emphasis to individual and organizational performances under nuclear combat conditions in realistc operational scenarios.

(2) The AFRRI program shall consider the present and projected threats, Service operational concepts and weapons, and defense systems developments.

(b) Provide analysis, study, and consultation on the impact of the biological effects of ionizing radiation on the organizational efficiency of the Military Services and their members.

(c) Conduct cooperative research with the Military Medical Departments in those aspects of military operational and medical support considerations related to nuclear weapons effects and the radio biological hazards of space operations.

(d) Conduct advanced training in the field of radiobiology and the biological effects of nuclear weapons to meet the internal requirements of AFRRI, the Military Services, and other DoD Components and organizations.

(e) Perform such other functions as may be assigned.

§ 390.7 Authority.

32 CFR part 381 applies to the Director, DNA, for exercising head-quarters management of AFRRI and fulfilling the functional responsibilities implicit in this part.

§ 390.8 Effective date and implementation.

This part is effective November 25, 1987. Forward two copies of implementing documents to the Under Secretary of Defense of Acquisition within 120 days.

PART 391—DIRECTOR OF ADMINISTRATION AND MANAGEMENT

Sec.
391.1 Purpose.
391.2 Definition.
391.3 Responsibilities and functions.
391.4 Relationships.
391.5 Authorities.
391.6 Effective date.

AUTHORITY: U.S.C. 113.

[1] Copies may be obtained, if needed, from the U.S. Naval Publication and Forms Center, Attention: Codes 1052, Philadelphia, PA 19120.

SOURCE: 53 FR 22649, June 17, 1988, unless otherwise noted.

§391.1 Purpose.

Pursuant to the authority vested in the Secretary of Defense under 10 U.S.C., this part establishes the position of Director of Administration and Management (DA&M), reporting to the Deputy Secretary of Defense, with the responsibilities, functions, relationships, and authorities prescribed herein.

§391.2 Definition.

DoD Components. The Office of the Secretary of Defense (OSD), the Military Departments, the Organizaiton of the Joint Chiefs of Staff (OJCS), the Unified and Specified Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, and the DoD Field Activities.

§391.3 Responsibilities and functions.

The *Director of Administration and Management* shall serve as the principal staff assistant and advisor to the Secretary and Deputy Secretary of Defense on DoD-wide organizational and administrative management matters. In this capacity the DA&M shall:

(a) Advise and assist the Secretary and Deputy Secretary of Defense on administration and organization within the Department of Defense.

(b) Provide policy guidance to DoD Components and coordinate on administrative and organizational matters.

(c) Review, evaluate, and develop recommendations to improve the organization, functions, and management of DoD activities and programs.

(d) Develop and maintain organizational charters for the OSD, the Defense Agencies, the DoD Field Activities, and other DoD activities, as required.

(e) Provide policy guidance, coordinate, and oversee administration of assigned programs, including the DoD Committee Management Program, the DoD Management Headquarters Program, and the DoD Privacy Program.

(f) Administer the Historical Program of the OSD and coordinate DoD Historical Program activities.

(g) Analyze and control manpower requirements for the OSD, the OJCS, and other assigned activities.

(h) Administer the Internal Management Control Program for the OSD and other assigned activities.

(i) Participate in planning, programming, and budgeting activities related to DA&M responsibilities.

(j) Promote coordination, cooperation, and mutual understanding on matters under DA&M cognizance within the DoD and between the DoD, other Government Agencies, and the public.

(k) Serve on boards, committees, and other groups concerned with matters pertaining to the functions and responsibilities assigned to the DA&M and represent the Secretary and Deputy Secretary of Defense on such matters outside the DoD.

(l) Perform such other duties as the Secretary or Deputy Secretary of Defense may prescribe.

§391.4 Relationships.

(a) In the performance of the above functions, the DA&M shall:

(1) Coordinate and exchange information with officials of other DoD Components having collateral or related functions.

(2) Use existing facilities and services of the DoD, whenever practicable, to achieve maximum efficiency and economy.

(b) Serve as the Director, Washington Headquarters Services in accordance with 32 CFR part 356.

(c) Other OSD officials and the heads of DoD Components shall coordinate with the DA&M on all matters related to the functions cited in §391.3.

§391.5 Authorities.

The DA&M is hereby delegated authority to:

(a) Issue DoD Instructions and one-time directive-type memoranda, consistent with DoD 5025.1–M that implement policies approved by the Secretary or Deputy Secretary of Defense in the functions assigned to the DA&M. Instructions to the Military Departments shall be issued through the Secretaries of those Departments, or their designees. Instructions to Unified and Specified Commands shall be issued

through the Chairman, Joint Chiefs of Staff (CJCS).

(b) Obtain reports, information, advice, and assistance, consistent with DoD Directive 7750.5, in carrying out assigned functions, as necessary.

(c) Communicate directly with the heads of the DoD Components. Communications to the Commanders of Unified and Specified Commands shall be coordinated with the CJCS.

(d) Establish arrangements for DoD participation in non-defense governmental programs for which the DA&M is assigned primary staff cognizance.

(e) Communicate with other Government Agencies, representatives of the legislative branch, and members of the public, as appropriate, in carrying out assigned functions.

(f) Act for the Secretary of Defense before the Joint Committee on Printing, the Public Printer, and the Director of the Office of Management and Budget on all matters relating to printing, binding, and publications requirements, consistent with 44 U.S.C. chapter 11.

§ 391.6 Effective date.

This part is effective May 24, 1988.

PART 392—DIRECTOR OF SMALL AND DISADVANTATED BUSINESS UTILIZATION

Sec.
392.1 Purpose.
392.2 Definition
392.3 Responsibilities.
392.4 Functions.
392.5 Relationships.
392.6 Authorities.

AUTHORITY: 10 U.S.C. 133

SOURCE: 54 FR 13381, Apr. 3, 1989, unless otherwise noted.

§ 392.1 Purpose.

This part:

(a) Implements 15 U.S.C. 644(k) that establishes the position of Director of Small and Disadvantaged Business Utilization (Director, SADBU) under the direction, authority, and control of the Under Secretary of Defense (Acquisition) (USD(A)).

(b) Assigns responsibilities, functions, relationships, and authorities, as prescribed herein, to the Director, SADBU, pursuant to the authority vested in the Secretary of Defense under section 10 U.S.C. 113.

§ 392.2 Definition.

DoD Components. The Office of the Secretary of Defense (OSD), the Military Departments, the Joint Chiefs of Staff (JCS), the Joint Staff, the Unified and Specified Commands, the Defense Agencies, and the DoD Field Activities.

§ 392.3 Responsibilities.

The *Director of Small and Disadvantaged Business Utilization* shall serve as the principal staff assistant and advisor to the USD(A) for ensuring that a fair share of goods and services procured by the Department of Defense is acquired from small, small disadvantaged, and women-owned small businesses. In this capacity, the Director, SADBU, shall:

(a) Implement and execute the functions and duties assigned by 15 U.S.C. 636 and 644, as they relate to the Department of Defense.

(b) Conduct analyses, develop policies, provide advice, make recommendations, and issue guidance on DoD plans, programs, and requirements.

(c) Develop plans, programs, procedures, goals, and objectives, and initiate actions and taskings to ensure adherence to DoD policies.

(d) Develop systems and standards for the administration of approved policies, plans, and programs.

(e) Conduct reviews (including compliance reviews of DoD Components and major prime contractors) and evaluate programs to ensure adherence to approved policies and standards.

(f) Participate in the Planning, Programming, and Budgeting System (PPBS) and the Defense Acquisition System, and in development of the Federal Acquisition Regulation (FAR) and the Defense Federal Acquisition Regulation Supplement (DFARS).

(g) Keep appropriate organizations and officials informed of significant trends or initiatives.

(h) Promote coordination, cooperation, and mutual understanding within

the Department of Defense and between the Department of Defense, congressional committees, other Government Agencies, and the public.

(i) Serve on boards, committees, and other groups and represent the Secretary of Defense and USD(A) outside the Department of Defense.

(j) Perform other duties as the Secretary of Defense and the USD(A) may prescribe.

§392.4 Functions.

The Director, SADBU, shall carry out the responsibilities in §392.3 for the following functional areas:

(a) Prime contracts, subcontracts, and research and development contracts for small, small disadvantaged, and women-owned small businesses.

(b) Labor Surplus Area Program.

(c) Historically Black Colleges and Universities and Minority Institutions.

(d) Small and Disadvantaged Business Subcontracting Program.

(e) Small Business Research and Development Program, to include the Small Business Innovation Research Program.

(f) Blind and Other Severely Handicapped Program.

(g) Procurement Technical Assistance Program.

(h) Small Business Set Aside Program.

(i) Small Disadvantaged Business Development Program.

(j) DoD procurement outreach publications.

(k) Programs in support of Area Small Business Councils; Federal procurement conferences sponsored by members of Congress in their constituencies; economic development entities of States, counties, and municipalities; and industry trade associations promoting the growth of small businesses, small disadvantaged businesses, and women-owned small businesses.

§392.5 Relationships.

(a) In the performance of the above functions, the Director, SADBU, shall:

(1) Coordinate and exchange information with officials of other DoD Components having collateral or related functions.

(2) Use existing systems, facilities, and services of the Department of Defense and other Federal Agencies, whenever practicable, to achieve maximum efficiency and economy.

(3) Operate a Central Procurement Information Office for the Department of Defense.

(b) Other OSD officials and the Heads of DoD Components shall coordinate with the Director, SADBU, on all matters related to the functions in §392.4.

§392.6 Authorities.

The Director, SADBU, is hereby delegated authority to:

(a) Issue DoD Instructions, DoD publications, and one-time directive-type memoranda, consistent with DoD 5025.1–M, that implement policies approved by the Secretary of Defense in the functions assigned to the Director, SADBU. Instructions to the Military Departments shall be issued through the Secretaries of those Departments, or their designees. Instructions to Unified and Specified Commands shall be issued through the Chairman, JCS (CJCS).

(b) As authorized by Section 15 U.S.C. 644(k)(4), exercise supervisory authority over DoD personnel to the extent that their functions and duties relate to the functions and duties assigned to the Director, SADBU, by 15 U.S.C. Sections 637 and 644.

(c) Assign small business technical advisers to the DoD Components in accordance with 15 U.S.C. Section 644(k)(6).

(d) Obtain reports, information, advice, and assistance, consistent with DoD Directive 7750.5, as necessary, in carrying out assigned functions.

(e) Communicate directly with the Heads of the DoD Components. Communication to Commanders of the Unified and Specified Commands shall be coordinated with the CJCS.

(f) Establish arrangements for DoD participation in non-Defense governmental programs for which the Director, SADBU, is assigned primary staff cognizance.

(g) Communicate with other Government Agencies, representatives of the legislative branch, and members of the public, as appropriate, in carrying out assigned functions.

PART 394—GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE

Sec.
394.1 Purpose.
394.2 Definition.
394.3 Responsibilities and functions.
394.4 Relationships.
394.5 Authorities.

AUTHORITY: 10 U.S.C. 137.

SOURCE: 55 FR 2807, Jan. 29, 1990, unless otherwise noted.

§ 394.1 Purpose.

This part:

(a) Implements the provision of title 10, United States Code that establishes the position of General Counsel of the Department of Defense (GC, DoD).

(b) Assigns to the GC, DoD, the responsibilities, functions, relationships, and authorities prescribed herein, pursuant to the authority vested in the Secretary of Defense under title 10, United States Code.

§ 394.2 Definition.

DoD components. The Office of the Secretary of Defense (OSD), the Military Departments, the Joint Chiefs of Staff (JCS), the Joint Staff, the Unified and Specified Commands, the Inspector General of the Department of Defense (IG, DoD), the Defense Agencies, and the DoD Field Activities.

§ 394.3 Responsibilities and functions.

The *General Counsel, Department of Defense* (GC, DoD), is the chief legal officer of the Department of Defense and, as such, shall:

(a) Provide advice to the Secretary and Deputy Secretary of Defense regarding all legal matters and services performed within, or involving, the Department of Defense.

(b) Provide legal advice to OSD organizations and, as appropriate, other DoD Components.

(c) Oversee, as appropriate, legal services performed within the Department of Defense, including determining the adherence by attorneys in the Department of Defense to appropriate professional standards.

(d) Coordinate on appeals from denials of requests under the Freedom of Information Act, as appropriate.

(e) Provide advice on standards of conduct involving personnel of OSD and, as appropriate, other DoD Components.

(f) Develop the DoD Legislative Programs and coordinate DoD positions on legislation and Executive orders.

(g) Provide for the coordination of significant legal issues, including litigation involving the Department of Defense and other matters before the Department of Justice in which the Department of Defense has an interest.

(h) Establish DoD policy on general legal issues, determine the DoD position on specific legal problems, and resolve disagreements within the Department of Defense on such matters.

(i) Perform such functions relating to the DoD security program (including surveillance over DoD personnel security programs in accordance with DoD Directive 5145.3[1] and DoD Directive 0–5205.7,[2] as the Secretary or Deputy Secretary of Defense may assign.

(j) Act as lead counsel for the Department in all international negotiations conducted by OSD components.

(k) Maintain the central repository for all international agreements coordinated, negotiated, or concluded by DoD personnel.

(l) Serve as the Director, Defense Legal Services Agency (DLSA).

(m) Perform such other duties as the Secretary or Deputy Secretary of Defense may prescribe.

§ 394.4 Relationships.

(a) In the performance of the above responsibilities and functions, the GC, DoD, shall:

(1) Exercise direction, authority, and control over the DLSA, consistent with DoD Directive 5145.4[3].

(2) Coordinate actions and exchange information with other DoD organizations having collateral or related functions.

(3) Promote coordination, cooperation, and mutual understanding of matters pertaining to assigned functions within the Department of Defense

[1] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

[2] For official use only.

[3] See footnote 1 to § 394.3(i).

and between the Department of Defense, other Government Agencies, and the public.

(4) Serve on boards, committees, and other groups concerned with matters pertaining to assigned functions and represent the Secretary of Defense on assigned functions outside the Department of Defense, including serving as the representative of the Secretary of Defense to the Department of Justice on all appropriate matters.

(5) Use existing facilities and services, whenever practicable, to achieve maximum efficiency and economy.

(b) All DoD Components shall coordinate with the GC, DoD, on matters related to the functions in §394.3

§394.5 Authorities.

The GC, DoD, is delegated authority to:

(a) Issue DoD Instructions, DoD publications, and one-time directive-type memoranda, consistent with DoD 5025.1–M,[4] that implement policies approved by the Secretary of Defense in the functions assigned to the GC, DoD. Instructions to the Military Departments shall be issued through the Secretaries of those Departments or their designees. Instructions to Unified and Specified Commands shall be issued through the Chairman, Joint Chiefs of Staff (CJCS).

(b) Obtain reports, information, advice, and assistance from other DoD Components, consistent with DoD Directive 7750.5,[5] to carry out assigned functions and responsibilities.

(c) Communicate directly with the heads of the DoD Components. Communications to the Commanders of Unified and Specified Commands shall be coordinated through the CJCS.

(d) Communicate with other Government Agencies, representatives of the legislative branch, and members of the public, as appropriate, in carrying out assigned functions.

PART 395—DEFENSE LEGAL SERVICES AGENCY

Sec.
395.1 Purpose.
395.2 Definition.
395.3 Organization and management.
395.4 Functions and responsibilities.
395.5 Relationships.
395.6 Authorities.

APPENDIX TO PART 395—DELEGATIONS OF AUTHORITY

AUTHORITY: 10 U.S.C. 133.

SOURCE: 55 FR 2808, Jan. 29, 1990, unless otherwise noted.

§395.1 Purpose.

This part, pursuant to the authority vested in the Secretary of Defense under title 10, United States Code, updates the Defense Legal Services Agency (DLSA) charter with functions, responsibilities, relationships, and authorities as outlined herein.

§395.2 Definition.

DoD Components. The Office of the Secretary of Defense (OSD), the Military Departments, the Joint Chiefs of Staff (JCS), the Joint Staff, the Unified and Specified Commands, the Inspector General of the Department of Defense (IG, DoD), the Defense Agencies, and the DoD Field Activities.

§395.3 Organization and management.

(a) The DLSA is established as a separate agency of the Department of Defense under the direction, authority, and control of the General Counsel of the Department of Defense (GC, DoD). It shall consist of a Director and such subordinate organizational elements as are established by the Director within resources assigned by the Secretary of Defense. It shall include the legal staffs assigned to the Defense Agencies and DoD Field Activities.

(b) Budgeting, management of ceiling spaces, personnel services, and other administrative support for DLSA personnel shall be the responsibility of the Defense Agency or Field Activity to which those personnel are assigned.

(c) The GC, DoD, shall serve as the Director, DLSA.

§395.4 Functions and responsibilities.

The *Director, Defense Legal Services Agency* (DLSA), shall:

(a) Organize, direct, and manage the DLSA and all resources assigned to the DLSA.

[4] See footnote 1 to §394.3(i).
[5] See footnote 1 to §394.3(i).

(b) Provide legal advice and services for the Defense Agencies, DoD Field Activities, and other assigned organizations.

(c) Provide technical support and assistance for development of the DoD Legislative Program.

(d) Coordinate DoD positions on legislation and Presidential Executive orders.

(e) Provide a centralized legislative document reference and distribution point for the Department of Defense, and maintain the Department's historical legislative files.

(f) Develop DoD policy for standards of conduct and administer the Standards of Conduct Program for the OSD and other assigned organizations.

(g) Administer the Defense Industrial Security Clearance Review Program.

(h) Perform such other duties as the Secretary or Deputy Secretary of Defense may prescribe.

§ 395.5 Relationships.

(a) In performance of assigned responsibilities and functions, the Director, DLSA, shall:

(1) Coordinate actions and exchange information with other DoD organizations having collateral or related functions.

(2) Promote coordination, cooperation, and mutual understanding of matters pertaining to assigned functions within the Department of Defense and between the Department of Defense, other Government Agencies, and the public.

(3) Serve on boards, committees, and other groups concerned with matters pertaining to assigned functions, and represent the Secretary of Defense on assigned functions outside the Department of Defense.

(4) Use existing facilities and services, whenever practicable, to achieve maximum efficiency and economy.

(5) Provide professional supervision for DLSA attorneys serving in Defense Agencies, DoD Field Activities, and other organizations to which such attorneys are assigned. This includes, in consultation with the DoD Component head concerned, evaluation of their performance and/or other action that may be necessary based on professional performance.

(b) All DoD Components shall coordinate with the Director, DLSA, on matters related to the functions in § 395.4.

§ 395.6 Authorities.

The Director, DLSA, is delegated authority to:

(a) Obtain reports, information, advice, and assistance from other DoD Components, consistent with DoD Directive 7750.5[1] to carry out assigned functions and responsibilities, as necessary.

(b) Communicate directly with the heads of the DoD Components. Communications to the Commanders of Unified and Specified Commands shall be coordinated through the Chairman, Joint Chiefs of Staff (CJCS).

(c) Communicate with other Government Agencies, representatives of the legislative branch, and members of the public, as appropriate, in carrying out assigned functions.

APPENDIX TO PART 395—DELEGATIONS OF AUTHORITY

Pursuant to the authority vested in the Secretary of Defense, and subject to his direction, authority, and control, and in accordance with DoD policies, Directives, and Instructions, the Director, DLSA, or, in the absence of the Director, the person acting for the Director is hereby delegated authority, as required in the administration and operation of DLSA, to:

1. In accordance with 5 U.S.C. 7532, Executive Order 10450, as amended, and DoD Directive 5200.2:[2]

a. Designate positions as ''sensitive'';

b. Authorize, in case of an emergency, the appointment to a sensitive position, for a limited period of time, of a person for whom a full field investigation or other appropriate investigation, including the National Agency Check, has not been completed; and

c. Authorize the suspension, but not terminate the service, of an employee in the interest of national security.

2. Authorize and approve overtime work for civilian officers and employees in accordance with subchapter V, chapter 55, title 5, U.S.C., and applicable Civil Service Regulations.

3. Develop, establish, and maintain an active and continuing Records Management Program, pursuant to 44 U.S.C. 3102.

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[1] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

[2] See footnote 1 to § 395.6(a).

4. Authorize the publication of advertisements, notices, or proposals in newspapers, magazines, or other public periodicals, consistent with 44 U.S.C. 3702.

5. Comply with the policies and procedures prescribed in DoD 5025.1–M.[3]

PART 396—DoD COORDINATOR FOR DRUG ENFORCEMENT POLICY AND SUPPORT

Sec.
396.1 Purpose.
396.2 Applicability.
396.3 Responsibilities and functions.
396.4 Relationships.
396.5 Authorities.

AUTHORITY: 10 U.S.C. 113.

SOURCE: 55 FR 5006, Feb. 13, 1990, unless otherwise noted.

§396.1 Purpose.

This part establishes the position of DoD coordinator for Drug Enforcement Policy and Support, with responsibilities, functions, relationships, and authorities, as prescribed herein.

§396.2 Applicability.

This part applies to the Office of the Secretary of Defense (OSD); the Military Departments; the Chairman, Joint Chiefs of Staff (CJCS); the Joint Staff; the Unified and Specified Commands; the Office of the Inspector General, Department of Defense (OIG, DoD); the Defense Agencies; and the DoD Field Activities (hereafter referred to collectively as ''DoD Components'').

§396.3 Responsibilities and functions.

The *DoD Coordinator for Drug Enforcement Policy and Support*, as the principal staff assistant and advisor to the Secretary of Defense for drug control policy, requirements, priorities, systems, resources, and programs, shall:

(a) Develop policies, conduct analysis, provide advice, make recommendations, and issue guidance on DoD drug contol plans and programs.

(b) Develop systems and standards for the administration and management of approved DoD drug control plans and programs.

(c) Promulgate plans, programs, actions, and taskings pertaining to the DoD drug control program consistent with the National Drug Control Strategy and DoD drug control policies and objectives.

(d) Review, evaluate, coordinate, and monitor DoD drug control plans and programs to ensure adherence to approved policies and standards.

(e) Promote coordination, cooperation, and mutual understanding within the Department of Defense, within Congress, and between the Department of Defense and other Federal Agencies, State and local governments, and the civilian community.

(f) Serve on boards, committees, and other groups pertaining to assigned functional areas and represent the Secretary of Defense on Drug control matters outside the Department.

(g) Serve as the DoD point of contact for the Office of the Director of National Drug Control Policy and other Federal and State agencies as appropriate.

(h) Participate in, and oversee and monitor planning, programming, and budgeting for the DoD counter-drug mission in coordination with OSD officials; the CJCS; and appropriate DoD Components.

(i) Coordinate and monitor DoD support of civilian drug-law enforcement.

(j) Coordinate and monitor interagency detection and monitoring of maritime and aerial transit of illegal drugs into the United States.

(k) Coordinate and monitor, in conjunction with the Assistant Secretary of Defense (Reserve Affairs) (ASD(RA)), National Guard support to State drug-law enforcement operations, and to the Department of Defense, as required.

(l) Coordinate and monitor, in conjunction with the Assistant Secretary of Defense (Command, Control, Communications and Intelligence) (ASD(C3I)), DoD intelligence and communications support of drug-law enforcement operations.

(m) Execute such other responsibilities as the Secretary of Defense may prescribe.

§396.4 Relationships.

(a) In the performance of assigned functions and responsibilities, the DoD Coordinator for Drug Enforcement Policy and Support shall:

[3] See footnote 1 to §395.6(a).

(1) Coordinate and exchange information with other officials in the Department of Defense exercising collateral or related functions.

(2) Coordinate and exchange information with other appropriate Federal and State agencies having related functions.

(3) Use existing facilities and services of the Department of Defense or other Federal Agencies, whenever practicable, to avoid duplication and to achieve maximum efficiency and economy.

(b) Other OSD officials and heads of DoD Components shall coordinate with the DoD Coordinator for Drug Enforcement Policy and Support on all matters related to the functions in § 396.3.

§ 396.5 Authorities.

The DoD Coordinator for Drug Enforcement Policy and Support is hereby delegated authority to:

(a) Issue DoD Instructions, DoD Publications, and one-time directive-type memoranda, consistent with DoD 5025.1–M that implement policies approved by the Secretary of Defense in the functions assigned to the DoD Coordinator for Drug Enforcement Policy and Support. Instructions to the Military Departments shall be issued through the Secretaries of those Departments or their designees. Instructions to Unified and Specified Commands shall be issued through the CJCS.

(b) Obtain reports, information, advice, and assistance, consistent with DoD Directive 7750.5, as necessary, in carrying out assigned functions.

(c) Communicate directly with the heads of DoD Components. Communications to Commanders of the Unified and Specified Commands shall be coordinated with, and transmitted through, the CJCS.

(d) Communicate with other Government Agencies, representatives of the legislative branch, and members of the public, as appropriate, in carrying out assigned functions.

PART 398—DEFENSE LOGISTICS AGENCY (DLA)

Sec.

398.1 Purpose.
398.2 Mission.
398.3 Organization and management.
398.4 Responsibilities and functions.
398.5 Authority.
398.6 Relationships.
398.7 Administration.

APPENDIX A TO PART 398—ASSIGNED DOD PROGRAMS AND/OR SYSTEMS

APPENDIX B TO PART 398—DELEGATIONS OF AUTHORITY

AUTHORITY: 10 U.S.C. 191–193.

SOURCE: 54 FR 2101, Jan. 19, 1989, unless otherwise noted. Redesignated at 58 FR 39360, July 22, 1993.

§ 398.1 Purpose.

Pursuant to authority vested in the Secretary of Defense under title 10, this part revises 32 CFR part 398 to update the responsibilities, functions, relationships, and authorities of the Defense Logistics Agency (DLA).

[54 FR 2101, Jan. 19, 1989. Redesignated and amended at 58 FR 39360, July 22, 1993]

§ 398.2 Mission.

The DLA shall function as an integral element of the military logistics system of the Department of Defense to provide effective and efficient worldwide logistics support to the Military Departments and the Unified and Specified Commands under conditions of peace and war, as well as to other DoD Components, Federal Agencies, foreign governments, or international organizations, as assigned. This support shall include:

(a) The provision of material commodities and items of supply that have been determined, through the application of approved criteria, to be appropriate for integrated management by a single agency on behalf of all DoD Components, of that has been otherwise specifically assigned by appropriate authority.

(b) The performance of logistics services directly associated with furnishing material commodities and items of supply (hereafter referred to as ''Items'').

(c) The administration of Department-wide supply and logistics management systems, programs, and activities, as assigned, including the provision of technical assistance, support services, and information.

§398.3 Organization and management.

DLA is established as a Combat Support Agency of the Department of Defense under the overall supervision of the Under Secretary of Defense for Acquisition (USD(A)) and, with the exception of those responsibilities, functions and relationships assigned to the Chairman, Joint Chiefs of Staff (CJCS), by this part, is under the direction, authority, and control of the USD(A) pursuant to 32 CFR part 382. It shall consist of a Director and such subordinate organizational elements as are established by the Director or specifically assigned to the Agency by the Secretary of Defense.

§398.4 Responsibilities and functions.

(a) The *Director, Defense Logistics Agency* (DLA) shall:

(1) Organize, direct, and manage the DLA and all assigned resources; procure assigned items; and administer, supervise, and control all programs, services, and items assigned to DLA.

(2) Provide staff advice and assistance on supply and logistics matters to the Office of the Secretary of Defense (OSD), the Military Departments, other DoD Components, and other designated organizations, as appropriate.

(3) Maintain a wholesale distribution system for assigned items and accomplish all material management functions required to ensure responsive support to the associated supply and logistics requirements determination, supply control, procurement, quality and reliability assurance, industrial responsiveness and mobilization planning, receipt, storage, inventory accountability and distribution control, transportation, repair, maintenance and manufacture, shelf-life control, provisioning, technical logistic data and information, engineering support, value engineering, standardization, reutilization and marketing, and other related supply and logistics management functions, as appropriate.

(4) Provide contract administration services in support of the Military Departments and other DoD Components, the National Aeronautics and Space Administration, and other designated Federal and State Agencies, foreign governments, and international organizations.

(5) Operate centralized management information and technical report data banks in DLA; oversee the management of contractor-operated DoD Information Analysis Centers in selected fields of science and technology; and provide scientific and technical information to DoD Components, individuals, businesses, educational institutions, government laboratories, government contractors, and others consistent with policy guidance provided by the Under Secretary of Defense for Research and Engineering.

(6) Perform systems analysis and design, procedural development, and maintenance for supply and service systems and other logistics matters assigned by the Secretary of Defense.

(7) Administer, manage, and operate the DoD-wide programs and systems listed in enclosure 1, and recommend periodic revisions to this list, as appropriate.

(8) Develop, monitor, and maintain effective supply relationships with the General Services Administration (GSA) in order to ensure the timely availability of GSA items required by DoD Components.

(9) Support the Commanders of Unified Commands, and through overseas elements of DLA, provide coordinated and responsive logistics support; develop policies; plans, and procedures; develop resources requirements; ensure security compliance by DLA personnel; and provide for the management and direction of DLA overseas activities.

(10) Perform such other functions as may be assigned by the Secretary of Defense or USD(A).

(b) The *Under Secretary of Defense (Acquisition)* (USD(A)) shall:

(1) Provide guidance and direction to DLA on operational policies and procedures related to the development and operation of defense logistics programs and systems.

(2) Consult with the CJCS on such areas as critical logistics war fighting deficiencies and military requirements for defense acquisition programs.

(3) Obtain recommendations from the CJCS relative to DLA's contribution to war fighting readiness and sustainment of the Unified Commands.

(c) The *Chairman, Joint Chiefs of Staff* (CJCS), under the authority and direction of the Secretary of Defense, shall:

(1) Provide advice and recommendations to the USD(A) regarding the mission, functions, and responsibilities of DLA.

(2) Provide advice on matters pertaining to the policies, planning, design, maintenance, testing, and evaluation of logistics systems.

(3) Obtain advice and recommendations from the USD(A) and from the Director, DLA, on matters within the areas of responsibility assigned to DLA.

(4) Review DLA planning and programming documents, assess their responsiveness to operational requirements, and provide direction to the Director, DLA.

(5) Periodically submit (not less than every 2 years) to the Secretary of Defense a report with respect to DLA's responsiveness and readiness to support operating forces in the event of war or threat to national security and other recommendations that the Chairman deems appropriate.

(6) Provide for the participation of DLA in joint training exercises and assess performance.

(7) Provide tasking related to defense readiness to the Director, DLA.

(8) Develop and submit JCS logistics requirements and priorities to the Director, DLA.

(d) The *Commander of a Unified Command* is authorized to, and as appropriate shall:

(1) Following approval from the Director, DLA, or the CJCS, and within the Commander's geographic area, direct DLA elements to ensure effective operations.

(2) In a major emergency, assume temporary operational control of all DLA elements in the Commander's area of responsibility, with notification immediately following to the CJCS, the appropriate operational commander, and the Director, DLA.

(e) *Commanders of Component Commands* shall:

(1) Exercise such responsibilities and authorities pertinent to DLA elements as may be assigned or delegated to them by the Commander of their Unified Command.

(2) Provide for the physical security and administrative and logistic support of DLA elements as agreed to by DLA and Component Commands concerned under inter-Service support agreements.

(f) Within their areas of responsibility, the CJCS, the CINCs, the Secretaries of the Military Departments, and the heads of other DoD Components shall provide to the Director, DLA, support and logistical planning information, including information on funding shortfalls that impact the responsibilities and functions assigned to DLA.

§ 398.5 Authority.

The Director, DLA, is specifically delegated authority to:

(a) Meet the needs of the Military Departments and other authorized customers by conducting, directing, supervising, or controlling all procurement activities regarding property, supplies, and services assigned to DLA for procurement in accordance with applicable laws, DoD Regulations, the FAR and the DFARS. To the extent that any law or Executive order specifically limits the exercise of such authority to persons at the Secretarial level, such authority shall be exercised by the USD(A).

(b) Prescribe procedures, standards, and practices for the Department of Defense governing the execution of assigned responsibilities and functions.

(c) Obtain such reports, information, advice, and assistance from other DoD Components consistent with the policies and criteria of DoD Directive 7750.5[1] as may be necessary for the performance of assigned functions and responsibilities.

(d) Establish new DLA facilities or recommend to the USD(A) the reassignment to DLA or use of existing facilities of the Military Departments by DLA, as deemed necessary for improved effectiveness and economy.

(e) Provide membership on the Defense Acquisition Regulatory Council (DAR Council), participate with the

[1] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

Secretaries of the Military Departments and Federal Agencies in developing and publishing the FAR and participate with the Secretaries of the Military Departments in developing and publishing the DFARS.

(f) Exercise the administrative authorities contained in the appendix B to this part.

[54 FR 2101, Jan. 19, 1989. Redesignated and amended at 58 FR 39360, July 22, 1993]

§ 398.6 Relationships.

(a) In performing assigned functions, the Director, DLA, shall:

(1) Have free and direct access to, and communicate with, all elements of the Department of Defense and other Executive Departments and Agencies, as necessary.

(2) Maintain appropriate liaison with other DoD Components, Agencies of the Executive branch, foreign governments, and international organizations for the exchange of information on programs and activities in the field of assigned responsibilities.

(3) Maintain close working relationships with weapon systems managers of the Military Departments to ensure integration of effort and exchange of technical programs and reference data.

(4) Use established facilities and services of the Department of Defense and other Federal Agencies, whenever practicable, to avoid duplication and to achieve an appropriate balance among modernization, readiness, sustain ability, efficiency, and economy.

§ 398.7 Administration.

(a) The Director shall be an active duty, commissioned officer of General or Flag rank, appointed by the Secretary of Defense based on the recommendation of the CJCS as approved by the USD(A).

(b) The Deputy Director shall be an active duty, commissioned officer of General or Flag rank, approved by the USD(A) based on the recommendation of the CJCS and Director, DLA.

(c) DLA shall be authorized such personnel, facilities, funds, and other administrative support as the Secretary of Defense deems necessary.

(d) The Military Departments shall assign military personnel to DLA in accordance with approved authorizations and procedures for assignment to joint duty.

(e) Programming, budgeting, funding, auditing, accounting, pricing, and reporting activities of DLA shall be in accordance with established DoD policy and procedures. DLA shall use appropriated funds to finance the operating costs of the Agency; a stock fund to finance all inventories procured for resale; a transaction fund to finance the purchase of needed stockpile materials; and, when appropriate, an industrial fund for financing industrial-commercial type operations.

APPENDIX A TO PART 398—ASSIGNED DOD PROGRAMS AND/OR SYSTEMS

The following DoD programs and/or systems or aspects of these programs and/or systems are assigned to DLA to administer, manage, and/or operate:

- DoD Coordinated Procurement
- Federal Catalog System
- DoD Industrial Plant Equipment
- Operating Military Parts Control Advisory Groups for Standardization of Parts at the System Equipment Design Stage
- Defense Automatic Addressing System
- Defense Precious Metals Recovery
- Assigned Aspects of DoD Food Service Management
- Defense Procurement Management Review
- Defense Energy Information System
- Centralized Referral System
- Overseas Employment Referral
- Automation Resources Management System
- Depot Maintenance and Maintenance Support Cost Accounting and Production Reporting and Information System
- DoD Shelf-life Item Management
- DoD Scientific and Technical Information
- DoD Information Analysis Center
- DoD Hazardous Materials Information System
- Hazardous Material Technology Development
- DoD-wide Interchangeability and/or Substitutability
- Dod Personal Property Utilization and Disposal
- DoD Industrial Resources Management
- Integrated Material Manager for Bulk Petroleum
- DoD Specification Standardization
- National Defense Stockpile Program

APPENDIX B TO PART 398—DELEGATIONS OF AUTHORITY

Pursuant to the authority vested in the Secretary of Defense, and subject to the direction, authority, and control of the Secretary of Defense, and in accordance with DoD Policies, Directives, and Instructions, the Director, DLA, or in the absence of the Director, the person acting for the Director, is hereby delegated authority as required in the administration and operation of DLA to:

1. Exercise the powers vested in the Secretary of Defense by 5 U.S.C. 301, 302(b), and 3101 pertaining to the employment, direction and general administration of DLA civilian personnel.

2. Fix rates of pay for wage-rate employees exempted from the Classification Act of 1949 by 5 U.S.C. 5102 on the basis of rates established under the Combined Federal Wage System. In fixing such rates, the Director, DLA, shall follow the wage schedule established by the DoD Wage Fixing Authority.

3. Establish advisory committees and employ part-time advisors as approved by the Secretary of Defense for the Performance of DLA functions pursuant to the provisions of 10 U.S.C. 173, 5 U.S.C. 3109(b), and the agreement between the Department of Defense and the Office of Personnel Management (OPM) on employment of experts and consultants, dated June 21, 1977.

4. Administer oaths of office incident to entrance into the Executive Branch of the Federal Government or any other oath required by law in connection with employment therein, in accordance with the provisions of 5 U.S.C. 2903, and designate in writing, as may be necessary, officers and employees of DLA to perform this function.

5. Establish a DLA Incentive Awards Board and pay cash awards to, and incur necessary expenses for the honorary recognition of, civilian employees of the Government whose suggestions, inventions, superior accomplishments, or other personal efforts, including special acts or services, benefit or affect DLA or its subordinate activities, in accordance with the provisions of 5 U.S.C. 4503 and OPM regulations.

6. In accordance with the provisions of 5 U.S.C. 7532; Executive Orders 10450, 12333, and 12356; and DoD Directive 5200.2, ''DoD Personnel Security Program,'' December 20, 1979:

a. Designate the security sensitivity of positions within DLA.

b. Authorize, in case of an emergency, the appointment of a person to a sensitive position in DLA for a limited period of time for whom a full field investigation or other appropriate investigation, including the National Agency Check, has not been completed.

c. Authorize the suspension, but not terminate the services of a DLA employee in the interest of national security.

d. Initiate investigations, issue personnel security clearances and, if necessary, in the interest of national security, suspend, revoke, or deny a security clearance for personnel assigned or detailed to, or employed by DLA. Any action to deny or revoke a security clearance shall be taken in accordance with procedures prescribed in DoD 5200.2–R, ''DoD Personnel Security Program,'' January 1987.

7. Act as agent for the collection and payment of employment taxes imposed by chapter 21 of the Internal Revenue Code of 1954, as amended; and, as such agent, make all determinations and certifications required or provided for under the Internal Revenue Code of 1954, as amended (26 U.S.C. 3122), and the Social Security Act, as amended (42 U.S.C. 405(p) (1) and (2)), with respect to DLA employees.

8. Authorize and approve overtime work for DLA civilian personnel in accordance with 5 U.S.C. chapter 55, subchapter V, and applicable OPM regulations.

9. Authorize and approve:

a. Travel for DLA civilian personnel in accordance with Joint Travel Regulations, Volume 2, ''DoD Civilian Personnel.''

b. Temporary duty travel for military personnel assigned or detailed to DLA in accordance with Joint Travel Regulations, Volume 1, ''Members of Uniformed Services.''

c. Invitational travel to persons serving without compensation whose consultative, advisory, or other highly specialized technical services are required in a capacity that is directly related to, or in connection with, DLA activities, pursuant to 5 U.S.C. 5703.

10. Approve the expenditure of funds available for travel by military personnel assigned or detailed to DLA for expenses regarding attendance at meetings of technical, scientific, professional, or other similar organizations in such instances when the approval of the Secretary of Defense, or designee, is required by law (37 U.S.C. 412 and 5 U.S.C. 4110 and 4111). This authority cannot be redelegated.

11. Develop, establish, and maintain an active and continuing Records Management Program, pursuant to 44 U.S.C. 3102 and DoD Directive 5015.2, ''Records Management Program,'' September 17, 1980.

12. Establish and use imprest funds for making small purchases of material and services, other than personal services, for DLA when it is determined more advantageous and consistent with the best interests of the Government, in accordance with DoD Instruction 5100.71, ''Delegation of Authority and Regulations Relating to Cash Held at Personal Risk Including Imprest Funds,'' March 5, 1973.

13. Authorize the publication of advertisements, notices, or proposals in newspapers, magazines, or other public periodicals as required for the effective administration and operation of DLA, consistent with 44 U.S.C. 3702.

14. Establish and maintain appropriate property accounts for DLA and appoint Boards of Survey, approve reports of survey, relieve personal liability, and drop accountability for DLA property contained in the authorized property accounts that has been lost, damaged, stolen, destroyed, or otherwise rendered unserviceable, in accordance with applicable laws and regulations.

15. Promulgate the necessary security regulations for the protection of property and places under the jurisdiction of the Director, DLA, pursuant to DoD Directive 5200.8, ''Security of Military Installations and Resources,'' July 29, 1980.

16. Establish and maintain, for the functions assigned, a publications system for the promulgation of common supply and service regulations, instructions, and reference documents, and changes thereto, pursuant to the policies and procedures prescribed in DoD 5025.1–M, ''Department of Defense Directives System Procedures,'' April 1981.

17. Enter into support and service agreements with the Military Departments, other DoD Components, Government Agencies, and foreign governments, as required for the effective performance of DLA functions and responsibilities.

18. Exercise the authority delegated to the Secretary of Defense by the Administrator of the General Services Administration (GSA) on the disposal of surplus personal property.

19. Exercise the authority and responsibility of the Secretary of Defense as delegated to the Director, DLA, for the National Industrial Equipment Reserve established by the National Industrial Equipment Reserve Act of 1948, as amended (50 U.S.C. 451 *et seq.*).

20. Designate an officer or employee of DLA to serve as the Competition Advocate of the Agency, pursuant to 10 U.S.C. 2318.

21. Maintain an official seal and attest to the authenticity of official DLA records under that seal.

The Director, DLA, may redelegate these authorities as appropriate, and in writing, except as otherwise specifically indicated above or as otherwise provided by law or regulation.

PART 399—DEFENSE MAPPING AGENCY (DMA)

Sec.
399.1 Purpose.
399.2 Mission.
399.3 Organization and management.
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APPENDIX TO PART 399—DELEGATIONS OF AUTHORITY

AUTHORITY: 10 U.S.C. 191–193.

SOURCE: 55 FR 52169, Dec. 20, 1990, unless otherwise noted. Redesignated at 58 FR 39360, July 22, 1993.

§399.1 Purpose.

Under the authority vested in the Secretary of Defense by title 10, United States Code, this part updates the responsibilities, functions, relationships, and authorities of the Defense Mapping Agency (DMA).

§399.2 Mission.

The DMA shall provide support to the Office of the Secretary of Defense (OSD); the Military Departments; the Chairman, Joint Chiefs of Staff and Joint Staff; the Unified and Specified Commands; and the Defense Agencies (hereafter referred to collectively as ''DoD Components'') and other Federal Government Departments and Agencies on matters concerning mapping, charting, and geodesy (MC&G).

§399.3 Organization and management.

The DMA is established as a Combat Support Agency of the Department of Defense and shall be under the direction, authority, and control of the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence (ASD(C3I)). It shall consist of a Director and such subordinate organizational elements as are established by the Director within resources authorized by the Secretary of Defense.

§399.4 Responsibilities and functions.

The Director, Defense Mapping Agency (DMA), shall:

(a) Organize, direct, and manage the DMA and all assigned resources.

(b) Ensure responsive MC&G support to DoD Components.

(c) Serve as Program Manager and coordinator of DoD MC&G resources and activities, to include reviewing the execution of DoD plans, programs, and policies for MC&G activities not assigned to the DMA.

(d) Provide staff advice and assistance on MC&G matters to all DoD

Components and other Federal Government Agencies, as appropriate.

(e) Develop MC&G guidance for the Department of Defense, review DoD Component programs and fiscal documents related to MC&G matters, and recommend appropriate actions to the ASD(C3I).

(f) In support of the CJCS, review and validate the MC&G requirements and priorities of the DoD Components and other Federal Government Agencies, and develop and submit to the ASD(C3I) a consolidated statement of MC&G production requirements and priorities in accordance with the National Military Strategy Document.[1]

(g) Prepare, coordinate, and issue standards for MC&G products in accordance with DoD 4120.3–M,[2] and represent the Department of Defense in national and international MC&G standardization activities.

(h) Develop policies and provide DoD participation in national and international MC&G activities, in coordination with appropriate DoD officials, and execute DoD responsibilities under interagency and international MC&G agreements.

(i) Establish and/or consolidate DoD MC&G data collection requirements and collect or task other DoD Components to collect and provide necessary data.

(j) Develop a DoD MC&G research, development, test, and evaluate (RDT&E) requirements plan, in coordination with appropriate DoD officials, and, as appropriate, task DoD Components or private contractors to satisfy the requirements.

(k) Carry out the statutory responsibilities assigned to the Department of Defense under chapter 167 of 10 U.S.C. for providing nautical charts and marine navigation data for the use of all vessels of the United States and of navigators generally, and the responsibilities assigned under chapter 13 of 44 U.S.C. for printing notices to mariners and other publications.

(l) Establish and maintain a Joint Manpower Program that will be reviewed annually by the CJCS under JCS MOP 173[3].

(m) Provide technical guidance to all DoD components to ensure standardization and interoperability of systems requiring MC&G support.

(n) Advise the Defense Acquisition Board on MC&G issues, as appropriate, through the ASD(C3I).

(o) Serve as the primary DoD action office for all purchases of Land Remote Sensing Satellite (LANDSAT) and Systems Probatoire d'Observation de la Terra (SPOT) remote sensing data by the Military Departments and Defense Agencies.

(p) Assist in unique MC&G product definition and development.

(q) Perform such other functions as may be assigned by the ASD(C3I).

[55 FR 52169, Dec. 20, 1990. Redesignated and amended at 58 FR 39360, July 22, 1993]

§ 399.5 Relationships.

(a) In performing assigned functions, the Director, DMA, shall:

(1) Subject to the direction, authority, and control of the ASD(C3I), be responsible to the CJCS for operational matters as well as requirements associated with the joint planning process. For these purposes, the CJCS is authorized to communicate directly with the Director, DMA, and may task the Director, DMA, to the extent authorized by the ASD(C3I).

(2) Maintain appropriate liaison with other DoD Components and other Agencies of the Executive branch for the exchange of information on programs and activities in the field of assigned responsibilities.

(3) Make use of established facilities and services in the Department of Defense or other governmental agencies, whenever practicable, to achieve maximum efficiency and economy.

(4) Ensure that the Secretary of Defense, the Secretaries of the Military Departments, the CJCS, and the heads of other DoD Components are kept fully informed concerning DMA activities with which they have substantive concern.

[1] Copies may be obtained, from the office of the Joint Secretariat, Joint Staff, room 2E929, The Pentagon, Washington, DC 20318.

[2] Copies may be obtained, from the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, VA 22161.

[3] See footnote 1 to § 399.4(f).

(b) The Secretaries of the Military Departments, Commanders of Unified and Specified Commands, and Heads of Other DoD Components shall:

(1) Use DMA standard products unless an exception is authorized by the ASD(C3I).

(2) Develop and submit to the DMA their MC&G requirements and priorities in accordance with the National Military Strategy Document.

(3) Provide support, within their respective fields of responsibilities, to the Director, DMA, as required, to carry out the responsibilities and functions assigned to the DMA.

(4) Assess the responsiveness of the DMA to their operational, developmental, and training needs.

(5) Obtain DMA technical assistance for systems that require MC&G products and services.

(6) Submit all requirements and provide funding to the DMA for LANDSAT and SPOT remote sensing data.

(7) Submit all requirements and provide funding to the DMA for unique MC&G products.

(8) Coordinate with the Director, DMA, on all programs and activities that include or are related to MC&G.

(c) The Chairman, Joint Chiefs of Staff (CJCS), shall:

(1) Review DMA planning and programming documents, and assess their responsiveness to operational, developmental, and training requirements.

(2) Periodically (not less than every 2 years), submit to the Secretary of Defense a report on DMA's responsiveness and readiness to support operating forces in the event of war or threat to national security, and other recommendations as appropriate.

(3) Advise the Secretary of Defense on MC&G requirements and priorities.

(4) Develop and issue jointly with the ASD(C3I) guidance to the DMA and the Unified and Specified Commands that will serve as the basis for interrelationships between these organizations.

(5) Provide for the participation of the DMA in joint training exercises and monitor performance.

§ 399.6 Authority.

The Director, DMA, is specifically delegated authority to:

(a) Task and issue necessary instructions and guidance to DoD Components directly to accomplish the MC&G RDT&E and data collection requirements established by the DMA.

(b) Communicate directly with heads of DoD Components and other Executive Departments and Agencies, as necessary, in carrying out assigned responsibilities and functions. Communications to the Commanders in Chief of the Unified and Specified Commands shall be coordinated with the CJCS.

(c) Obtain reports, information, advice, and assistance, consistent with DoD Directive 7750.5[4], as necessary, in carrying out assigned responsibilities and functions.

(d) Establish facilities necessary to accomplish the DMA mission in the most efficient and economical manner.

(e) Exercise the administrative authorities contained in the appendix to this part.

[55 FR 52169, Dec. 20, 1990. Redesignated and amended at 58 FR 39360, July 22, 1993]

§ 399.7 Administration.

(a) The Director and Deputy Director, DMA, shall be appointed by the Secretary of Defense.

(b) The DMA shall be authorized such personnel, facilities, funds, and other administrative support as the Secretary of Defense deems necessary.

(c) The Military Departments shall assign military personnel to the DMA in accordance with approved authorizations and procedures for assignment to joint duty. The CJCS shall review and provide recommendations on the DMA joint manpower program to the ASD(C3I), as appropriate, for those functions where DMA is responsive to the CJCS.

APPENDIX TO PART 399—DELEGATIONS OF AUTHORITY

Pursuant to the authority vested in the Secretary of Defense, and subject to the direction, authority, and control of the Secretary of Defense, and in accordance with DoD policies, Directives, and Instructions, the Director, DMA, or in the absence of the Director, the person acting for the Director, is hereby delegated authority as required in

[4] See footnote 2 to § 399.4(g).

the administration and operation of the DMA to:

1. Exercise the powers vested in the Secretary of Defense by 5 U.S.C. 301, 302(b), and 3101 pertaining to the employment, direction, and general administration of DMA civilian personnel.

2. Fix rates of pay for wage-rate employees exempted from the Classification Act of 1949 by 5 U.S.C. 5102 on the basis of rates established under the Coordinated Federal Wage System. In fixing such rates, the Director, DMA, shall follow the wage schedule established by the DoD Wage Fixing Authority.

3. Establish advisory committees and employ part-time advisors, as approved by the Secretary of Defense, for the performance of DMA functions consistent with the 10 U.S.C. 173, 5 U.S.C. 3109(b), DoD Directive 5105.4,[1] ''DoD Federal Advisory Committee Management Program,'' September 5, 1989, and the agreement between the Department of Defense and the Office of Personnel Management (OPM) on employment of experts and consultants, June 21, 1977.

4. Administer oaths of office to those entering the Executive branch of the Federal Government or any other oath required by law in connection with employment therein, in accordance with 5 U.S.C. 2903, and designate in writing, as may be necessary, officers and employees of the DMA to perform this function.

5. Establish a DMA Incentive Awards Board and pay cash awards to, and incur necessary expenses for the honorary recognition of, civilian employees of the Government whose suggestions, inventions, superior accomplishments, or other personal efforts, including special acts or services, benefit or affect the DMA or its subordinate activities, in accordance with 5 U.S.C. 4503 and applicable OPM regulations.

6. In accordance with 5 U.S.C. 7532; Executive Orders 10450, 12333, and 12356; and DoD Directive 5200.2,[2] ''DoD Personnel Security Program,'' December 20, 1979; as appropriate:

a. Designate any position in the DMA as a ''sensitive'' position.

b. Authorize, in case of an emergency, the appointment of a person to a sensitive position in the DMA for a limited period of time for whom a full field investigation or other appropriate investigation, including the National Agency Check, has not been completed.

c. Authorize the suspension, but not terminate the services, of an employee in the interest of national security in positions within the DMA.

d. Initiate investigations, issue personnel security clearances and, if necessary, in the interest of national security, suspend, revoke, or deny a security clearance for personnel assigned or detailed to, or employed by the DMA. Any action to deny or revoke a security clearance shall be taken in accordance with procedures prescribed in DoD 5200.2–R,[3] ''DoD Personnel Security Program,'' January 1987.

7. Act as agent for the collection and payment of employment taxes imposed by chapter 21 of the Internal Revenue Code of 1954, as amended; and, as such agent, make all determinations and certifications required or provided for under section 3122 of the Internal Revenue Code of 1954, as amended, and section 205(p)(1) and (2) of the Social Security Act, as amended (42 U.S.C. 405(p)(1) and (2)) and with respect to DMA employees.

8. Authorize and approve overtime work for DMA civilian officers and employees in accordance with 5 U.S.C. chapter 55, subchapter V, and applicable OPM regulations.

9. Authorize and approve:

a. Temporary duty travel for military personnel assigned or detailed to the DMA in accordance with Joint Travel Regulations, Volume 1,[4] ''Members of Uniformed Services.''

b. Travel for DMA civilian officers and employees in accordance with Joint Travel Regulations, Volume 2,[5] ''DoD Civilian Personnel.''

c. Invitational travel to persons serving without compensation whose consultative, advisory, or other highly specialized technical services are required in a capacity that is directly related to, or in connection with, DMA activities, pursuant to 5 U.S.C. 5703.

10. Approve the expenditure of funds available for travel by military personnel assigned or detailed to the DMA for expenses regarding attendance at meetings of technical, scientific, professional, or other similar organizations in such instances where the approval of the Secretary of Defense, or designee, is required by law (37 U.S.C. 412 and 5 U.S.C. 4110 and 4111). This authority cannot be redelegated.

11. Develop, establish, and maintain an active and continuing Records Management Program pursuant to section 506(b) of the Federal Records Act of 1950 (44 U.S.C. 3102).

12. Establish and use imprest funds for making small purchases of material and

[1] Copies may be obtained, at cost, from the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, VA 22161.

[2] See footnote 1. to paragraph 3. of this appendix.

[3] See footnote 1. to paragraph 3. of this appendix.

[4] Copies may be obtained from the Government Printing Office, Attention: Superintendent of Documents, Washington, DC 20402.

[5] See footnote 4. to paragraph 9.a. of this appendix.

services, other than personal services, for the DMA, when it is determined more advantageous and consistent with the best interests of the Government, in accordance with DoD Directive 7360.10,[6] ''Disbursing Policies,'' January 17, 1989.

13. Authorize the publication of advertisements, notices, or proposals in newspapers, magazines, or other public periodicals as required for the effective administration and operation of the DMA consistent with 44 U.S.C. 3702.

14. Establish and maintain appropriate property accounts for the DMA, and appoint Boards of Survey, approve reports of survey, relieve personal liability, and drop accountability for DMA property contained in the authorized property accounts that has been lost, damaged, stolen, destroyed, or otherwise rendered unserviceable, in accordance with applicable laws and regulations.

15. Promulgate the necessary security regulations for the protection of property and places under the jurisdiction of the Director, DMA, pursuant to DoD Directive 5200.8,[7] ''Security of Military Installations and Resources,'' July 29, 1980.

16. Establish and maintain, for the functions assigned, an appropriate publications system for the promulgation of common supply and service regulations, instructions, and reference documents, and changes thereto, pursuant to the policies and procedures prescribed in DoD 5025.1–M,[8] ''Department of Defense Directives System Procedures,'' April 1981.

17. Enter into support and service agreements with the Military Departments, other DoD components, or other Government Agencies, as required for the effective performance of DMA functions and responsibilities.

18. Exercise the authority delegated to the Secretary of Defense by the Administrator of the General Services Administration (GSA) for the disposal of surplus personal property.

19. Enter into and administer contracts, directly or through a Military Department, DoD contract administration services component, or other Government Department or Agency, as appropriate, for supplies, equipment, and services required to accomplish the mission of the DMA. To the extent that any law or Executive order specifically limits the exercise of such authority to persons at the Secretarial level, such authority shall be exercised by the appropriate Under Secretary or Assistant Secretary of Defense.

20. Sell maps, charts, and related products to the public as governed by OMB Circular A–25 and 10 U.S.C. 2794.

21. Authorize the release of classified DoD MC&G products to foreign nationals within DoD disclosure policies.

22. Lease property under the control of the DMA, under terms that will promote the national defense or that will be in the public interest, pursuant to 10 U.S.C. 2667.

23. Execute responsibilities of 10 U.S.C. 2795 relating to international agreements.

The Director, DMA, may redelegate these authorities, as appropriate, and in writing, except as otherwise specifically indicated above or as otherwise provided by law or regulation.

These delegations of authority are effective December 6, 1990.

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[6] See footnote 1. to paragraph 3. of this appendix.

[7] See footnote 1. to paragraph 3. of this appendix.

[8] See footnote 1. to paragraph 3. of this appendix.