Administrator of General Services, and the Administrator for the National Aeronautics and Space Administration.

Unless otherwise specified, all Federal Acquisition Regulation (FAR) and other directive material contained in FAC 90–44 is effective December 31, 1996 except the following items:

Items III, IV, and VIII, January 1, 1997; and

Items V and VII, March 3, 1997.

Dated: December 19, 1996.

Roland A. Hassebrock,

Col., USAF Acting Director, Defense Procurement.

Dated: December 18, 1996.

Ida M. Ustad,

Deputy Associate Administrator, Office of Acquisition Policy, General Services Administration.

Dated: December 19, 1996.

Tom Luedtke,

Deputy Associate Administrator for Procurement, National Aeronautics and Space Administration.

[FR Doc. 96–32804 Filed 12–30–96; 8:45 am]

BILLING CODE 6820–EP–M

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48 CFR Parts 1 and 31

[FAC 90–44; FAR Case 96–010; Item I]

RIN 9000–AH41

Federal Acquisition Regulation; Automatic Data Processing Equipment Leasing Costs

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

ACTION: Interim rule.

SUMMARY: The Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council have agreed to an interim rule which deletes the definition of automatic data processing equipment (ADPE) and the cost principle concerning ADPE leasing costs. This regulatory action was not subject to Office of Management and Budget review under Executive Order 12866, dated September 30, 1993. This is not a major rule under 5 U.S.C. 804.

DATES: *Effective Date:* December 31, 1996.

Comment Due Date: To be considered in the formulation of a final rule, comments should be submitted to the address given below on or before March 3, 1997.

ADDRESSES: Comments should be submitted to: General Services Administration, FAR Secretariat, 18th & F Streets NW, Room 4037, Washington, DC 20405.

E-Mail comments submitted over the Internet should be addressed to: 96–010@www.ARNET.gov.

FOR FURTHER INFORMATION CONTACT: Mr. Jeremy Olson at (202) 501–3221 in reference to this FAR case. For general information, contact the FAR Secretariat, Room 4037, GS Building, Washington, DC 20405 (202) 501–4755. Please cite FAC 90–44, FAR case 96–010.

SUPPLEMENTARY INFORMATION:

A. Background

The cost principle at FAR 31.205–2, Automatic Data Processing Equipment (ADPE) Leasing Costs, was implemented when ADPE was an emerging technology, had limited applications, and was a substantial cost element on Government contracts. For these early computer systems, the hardware itself constituted the major expense, and that fact, coupled with the risks of ownership of this rapidly evolving technology, justified the detailed scrutiny required under the cost principle. In the current technological environment, however, where hardware costs are no longer such a significant expense and computer systems have become ubiquitous in the workplace, the continued application of FAR 31.205–2 is no longer appropriate and is an unnecessary accounting and administrative burden on contractors. The cost principle at FAR 31.205–36, Rental Costs, adequately protects the Government's interests in this cost area without prescribing overly detailed annual requirements.

This interim rule deletes the cost principle at 31.205–2, the ADPE definition at 31.001, and references to the term ''ADPE'' found elsewhere in Part 31.

B. Regulatory Flexibility Act

The interim rule is not expected to have a significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act, 5 U.S.C. 601, *et seq.*, because most contracts awarded to small entities use simplified acquisition procedures, or are awarded on a competitive, fixed-price basis, and do not require application of the FAR cost principles. An Initial Regulatory Flexibility Analysis has, therefore, not been performed. Comments are invited from small businesses and other interested parties. Comments from small entities concerning the affected FAR subparts also will be considered in accordance with 5 U.S.C. 601. Such comments must be submitted separately and cite 5 U.S.C. 601, *et. seq.* (FAR case 96–010) in correspondence.

C. Paperwork Reduction Act

The interim rule deletes the information collection requirement at FAR 31.205–2, which was previously approved by the Office of Management and Budget (OMB) under Control Number 9000–0072.

D. Determination To Issue an Interim Rule

A determination has been made under the authority of the Secretary of Defense (DOD), the Administrator of General Services (GSA), and the Administrator of the National Aeronautics and Space Administration (NASA) that, pursuant to 41 U.S.C. 418b, urgent and compelling reasons exist to publish an interim rule prior to affording the public an opportunity to comment. The rule is necessary because the cost principle at FAR 31.205–2 imposes unnecessary administrative and accounting requirements on contractors and the Government, since it requires contractors to annually demonstrate compliance with a number of specific criteria, including obtaining contracting officer approval in certain circumstances. In order for contractors, and ultimately, the Government, to experience cost savings as quickly as possible, it is necessary that an interim rule be published to eliminate this burdensome and obsolete requirement. However, pursuant to Public Law 98–577 and FAR 1.501, public comments received in response to this interim rule will be considered in the formation of the final rule.

List of Subjects in 48 CFR Parts 1 and 31

Government procurement.

Dated: December 19, 1996.

Edward C. Loeb,

Director, Federal Acquisition Policy Division.

Therefore, 48 CFR parts 1 and 31 are amended as set forth below:

1. The authority citation for 48 CFR parts 1 and 31 continues to read as follows:

Authority: 40 U.S.C. 486(c); 10 U.S.C. chapter 137; and 42 U.S.C. 2473(c).

PART 1—FEDERAL ACQUISITION REGULATION SYSTEM

1.106 [Amended]

2. Section 1.106 is amended in the list following the introductory paragraph by removing the FAR segment ''31.205–2'' and the corresponding OMB control number ''9000–0072''.

PART 31—CONTRACT COST PRINCIPLES AND PROCEDURES

31.001 [Amended]

3. Section 31.001 is amended by removing the definition ''Automatic data processing equipment (ADPE)''.

31.109 [Amended]

4. Section 31.109 is amended by removing paragraph (h)(10) and redesignating paragraphs (h)(11) through (h)(17) as (h)(10) through (h)(16), respectively.

31.205–2 [Removed and reserved]

5. Section 31.205–2 is removed and reserved.

6. Section 31.205–36 is amended in paragraph (a) by revising the first sentence to read as follows:

31.205–36 Rental costs.

(a) This subsection is applicable to the cost of renting or leasing real or personal property acquired under ''operating leases'' as defined in Statement of Financial Accounting Standards No. 13 (FAS–13), Accounting for Leases. * * *

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[FR Doc. 96–32805 Filed 12–30–96; 8:45 am]

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48 CFR Part 2

[FAC 90–44; FAR Case 96–322; Item II]

RIN 9000–AH42

Federal Acquisition Regulation; Major System Definition

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

ACTION: Final rule.

SUMMARY: The Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council have agreed on a final rule amending the Federal Acquisition Regulation (FAR) to revise the dollar thresholds in the definition of ''major system'' for the Department of Defense. This regulatory action was not subject to Office of Management and Budget review under Executive Order 12866, dated September 30, 1993. This is not a major rule under 5 U.S.C. 804.

EFFECTIVE DATE: December 31, 1996.

FOR FURTHER INFORMATION CONTACT: Mr. Jack O'Neill at (202) 501–3856 in reference to this FAR case. For general information, contact the FAR Secretariat, Room 4037, GS Building, Washington, DC 20405 (202) 501–4755. Please cite FAC 90–44, FAR case 96–322.

SUPPLEMENTARY INFORMATION:

A. Background

Section 805 of the National Defense Authorization Act for Fiscal Year 1997 (Pub. L. 104–201) amends the definition of ''major system'' in 10 U.S.C. 2302. This rule revises the definition at FAR 2.101 to conform with Section 805.

B. Regulatory Flexibility Act

The final rule does not constitute a significant FAR revision within the meaning of FAR 1.501 and Public Law 98–577, and publication for public comments is not required. Therefore, the Regulatory Flexibility Act does not apply. However, comments from small entities concerning the affected FAR subpart will be considered in accordance with 5 U.S.C. 610. Such comments must be submitted separately and cite 5 U.S.C. 601, *et seq.* (FAC 90–44, FAR case 96–322), in correspondence.

C. Paperwork Reduction Act

The Paperwork Reduction Act does not apply because the changes to the FAR do not impose recordkeeping or information collection requirements, or collections of information from offerors, contractors, or members of the public which require the approval of the Office of Management and Budget under 44 U.S.C. 3501, *et seq.*

List of Subjects in 48 CFR Part 2

Government procurement.

Dated: December 19, 1996.

Edward C. Loeb,

Director, Federal Acquisition Policy Division.

Therefore, 48 CFR Part 2 is amended as set forth below:

PART 2—DEFINITIONS OF WORDS AND TERMS

1. The authority citation for 48 CFR Part 2 continues to read as follows:

Authority: 40 U.S.C. 486(c); 10 U.S.C. chapter 137; and 42 U.S.C. 2473(c).

2. Section 2.101 is amended in the definition of ''Major system'' by revising paragraph (a), and adding at the end of paragraph (c) the parenthetical ''(10 U.S.C. 2302 and 41 U.S.C. 403).'' to read as follows:

2.101 Definitions.

* * * * *

Major system * * *

(a) The Department of Defense is responsible for the system and the total expenditures for research, development, test, and evaluation for the system are estimated to be more than $115,000,000 (based on fiscal year 1990 constant dollars) or the eventual total expenditure for the acquisition exceeds $540,000,000 (based on fiscal year 1990 constant dollars);

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[FR Doc. 96–32806 Filed 12–30–96; 8:45 am]

BILLING CODE 6820–EP–M

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48 CFR Parts 5, 13, 14, 15, 19, 25, 33, and 36

[FAC 90–44; FAR Case 96–304; Item III]

RIN 9000–AH13

Federal Acquisition Regulation; Preaward Debriefings

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

ACTION: Final rule.

SUMMARY: The Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council have agreed on a final rule amending the Federal Acquisition Regulation (FAR) to implement Section 4104 of the Clinger-Cohen Act of 1996. The rule requires that, prior to contract award, contracting officers provide a debriefing to any interested offeror on the reasons for that offeror's exclusion from the competitive range in a competitive negotiation. This regulatory action was not subject to Office of Management and Budget review under Executive Order 12866, dated September 30, 1993. This is not a major rule under 5 U.S.C. 804. The Federal Acquisition Reform Act of 1996 was subsequently renamed the Clinger-Cohen Act of 1996.

EFFECTIVE DATE: January 1, 1997.

FOR FURTHER INFORMATION CONTACT: Mr. Ralph DeStefano at (202) 501–1758 in reference to this FAR case. For general information, contact the FAR Secretariat, Room 4037, GS Building, Washington, DC 20405 (202) 501–4755. Please cite FAC 90–44, FAR case 96–304.

SUPPLEMENTARY INFORMATION:

A. Background

Section 4104 of the Clinger-Cohen Act of 1996 (Public Law 104–106) requires that, prior to contract award, contracting officers provide a debriefing to any interested offeror on the reasons for that offeror's exclusion from the competitive range in a competitive negotiation. The contracting officer may refuse a preaward debriefing request if it is not in the best interest of the Government to