

## PART 222—APPLICATION OF LABOR LAWS TO GOVERNMENT ACQUISITIONS

### Subpart 222.71 [Removed and Reserved]

- 2. Remove and reserve subpart 222.71, consisting of sections 222.7101 and 222.7102.

## PART 237—SERVICE CONTRACTING

### 237.7401 [Amended]

- 3. Amend section 237.7401 by removing paragraph (d).

## PART 252—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

### 252.222–7001 [Removed and Reserved]

- 4. Remove and reserve section 252.222–7001.

[FR Doc. 2018–11346 Filed 5–29–18; 8:45 am]

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## DEPARTMENT OF DEFENSE

### Defense Acquisition Regulations System

#### 48 CFR Parts 204 and 252

[Docket DARS–2017–0015]

RIN 0750–AJ54

#### Defense Federal Acquisition Regulation Supplement: Repeal of DFARS Provision “Alternate A, System for Award Management” (DFARS Case 2017–D044)

**AGENCY:** Defense Acquisition Regulations System, Department of Defense (DoD).

**ACTION:** Final rule.

**SUMMARY:** DoD is issuing a final rule amending the Defense Federal Acquisition Regulation Supplement (DFARS) to remove a provision that is duplicative of an existing Federal Acquisition Regulation (FAR) provision that requires a vendor to enter Commercial and Government Entity (CAGE) code information into a Governmentwide database prior to award of any contract or agreement.

**DATES:** Effective May 30, 2018.

**FOR FURTHER INFORMATION CONTACT:** Ms. Carrie Moore, telephone 571–372–6093.

#### SUPPLEMENTARY INFORMATION:

##### I. Background

DoD is amending the DFARS to remove the DFARS provision 252.204–7004, Alternate A, System for Award

Management (SAM), and the associated provision prescription at DFARS 204.1105. The DFARS provision provided definitions that are to be substituted for the definitions in paragraph (a) of the FAR provision 52.204–7, System for Award Management. The FAR provision is prescribed for use in most solicitations. The purpose of the FAR provision is to inform offerors of the requirement to be registered in SAM in order to be eligible for an award. The DFARS provision was created for use in DoD solicitations, to ensure, in part, that offerors responding to DoD solicitations understood that they needed to enter a CAGE code in SAM in order to be considered registered in the system. However, the DFARS provision is no longer necessary, because the definition of “Registered in the System for Award Management (SAM) database” in paragraph (a) of the FAR provision has been updated to include a CAGE code as part of the information required from an offeror in order to be considered registered in SAM. As such, this DFARS alternate provision is redundant and can be removed.

The removal of this DFARS text supports a recommendation from the DoD Regulatory Reform Task Force. On February 24, 2017, the President signed Executive Order (E.O.) 13777, “Enforcing the Regulatory Reform Agenda,” which established a Federal policy “to alleviate unnecessary regulatory burdens” on the American people. In accordance with E.O. 13777, DoD established a Regulatory Reform Task Force to review and validate DoD regulations, including the DFARS. A public notice of the establishment of the DFARS Subgroup to the DoD Regulatory Reform Task Force, for the purpose of reviewing DFARS provisions and clauses, was published in the **Federal Register** at 82 FR 35741 on August 1, 2017, and requested public input. No public comments were received on this provision. Subsequently, the DoD Task Force reviewed the requirements of DFARS provision 252.204–7004, Alternate A, System for Award Management, and determined that the DFARS coverage was redundant and recommended removal.

##### II. Applicability to Contracts at or Below the Simplified Acquisition Threshold and for Commercial Items, Including Commercially Available Off-the-Shelf Items

This rule merely removes obsolete DFARS provision 252.204–7004, Alternate A, System for Award Management. Therefore, the rule does not impose any new requirements on

contracts at or below the simplified acquisition threshold and for commercial items, including commercially available off-the-shelf items.

##### III. Executive Orders 12866 and 13563

Executive Orders (E.O.s) 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). E.O. 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This is not a significant regulatory action and, therefore, was not subject to review under section 6(b) of E.O. 12866, Regulatory Planning and Review, dated September 30, 1993. This rule is not a major rule under 5 U.S.C. 804.

##### IV. Executive Order 13771

This rule is not an E.O. 13771, Reducing and Controlling Regulatory Costs, regulatory action, because this rule is not significant under E.O. 12866.

##### V. Publication of This Final Rule for Public Comment Is Not Required by Statute

The statute that applies to the publication of the Federal Acquisition Regulation (FAR) is the Office of Federal Procurement Policy statute (codified at title 41 of the United States Code). Specifically, 41 U.S.C. 1707(a)(1) requires that a procurement policy, regulation, procedure or form (including an amendment or modification thereof) must be published for public comment if it relates to the expenditure of appropriated funds, and has either a significant effect beyond the internal operating procedures of the agency issuing the policy, regulation, procedure, or form, or has a significant cost or administrative impact on contractors or offerors. This final rule is not required to be published for public comment, because DoD is not issuing a new regulation; rather, this rule merely removes an obsolete requirement from the DFARS.

##### VI. Regulatory Flexibility Act

Because a notice of proposed rulemaking and an opportunity for public comment are not required to be given for this rule under 41 U.S.C. 1707(a)(1) (see section III. of this preamble), the analytical requirements of the Regulatory Flexibility Act (5

U.S.C. 601 *et seq.*) are not applicable. Accordingly, no regulatory flexibility analysis is required and none has been prepared.

## VII. Paperwork Reduction Act

The rule does not contain any information collection requirements that require the approval of the Office of Management and Budget under the Paperwork Reduction Act (44 U.S.C. chapter 35).

### List of Subjects in 48 CFR Parts 204 and 252

Government procurement.

Amy G. Williams,

Deputy, Defense Acquisition Regulations System.

Therefore, 48 CFR parts 204 and 252 are amended as follows:

- 1. The authority citation for parts 204 and 252 continues to read as follows:

**Authority:** 41 U.S.C. 1303 and 48 CFR chapter 1.

### PART 204—ADMINISTRATIVE MATTERS

#### 204.1105 [Removed]

- 2. Remove section 204.1105.

### PART 252—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

#### 252.204–7004 [Removed and Reserved]

- 3. Remove and reserve section 252.204–7004.

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## DEPARTMENT OF DEFENSE

### Defense Acquisition Regulations System

#### 48 CFR Parts 202 and 252

[Docket DARS–2018–0027]

RIN 0750–AJ34

### Defense Federal Acquisition Regulation Supplement: Micro-Purchase Threshold (DFARS Case 2017–D027)

**AGENCY:** Defense Acquisition Regulations System, Department of Defense (DoD).

**ACTION:** Final rule.

**SUMMARY:** DoD is issuing a final rule amending the Defense Federal Acquisition Regulation Supplement (DFARS) to implement sections of the National Defense Authorization Act for

Fiscal Year 2017 that increase the micro-purchase thresholds for certain Department of Defense acquisitions.

**DATES:** Effective May 30, 2018.

**FOR FURTHER INFORMATION CONTACT:** Ms. Carrie Moore, telephone 571–372–6093.

#### SUPPLEMENTARY INFORMATION:

##### I. Background

DoD is amending the DFARS to implement sections 217(a) and 821 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2017 (Pub. L. 114–328). Section 821 increases the micro-purchase threshold for the Department of Defense procurements to \$5,000. Section 217(a) further increases the micro-purchase threshold to \$10,000 for purposes of DoD basic research programs and for the activities of the DoD science and technology reinvention laboratories. Accordingly, DFARS section 202.101, Definitions, is amended to add a new micro-purchase threshold definition as it relates to DoD procurements, to be used in lieu of the definition in the Federal Acquisition Regulation (FAR). To align with the addition of the new DoD micro-purchase definition, a cross-reference to the definition at FAR 2.101 is revised in DFARS clause 252.232–7009, Mandatory Payments by Governmentwide Commercial Purchase Card.

##### II. Applicability to Contracts at or Below the Simplified Acquisition Threshold (SAT) and for Commercial Items, Including Commercially Available Off-the-Shelf (COTS) Items

This rule amends DFARS 202.101 to add an alternate definition for “micro-purchase threshold” in lieu of the definition of “micro-purchase threshold” at FAR 2.101. This rule simply clarifies the application of the micro-purchase threshold as it relates to DoD procurements, and does not apply additional requirements to contracts at or below the SAT or for the acquisition of commercial items, including COTS items.

##### III. Publication of This Final Rule for Public Comment Is Not Required by Statute

The statute that applies to the publication of the FAR is the Office of Federal Procurement Policy statute (codified at title 41 of the United States Code). Specifically, 41 U.S.C. 1707(a)(1) requires that a procurement policy, regulation, procedure or form (including an amendment or modification thereof) must be published for public comment if it relates to the expenditure of appropriated funds, and has either a

significant effect beyond the internal operating procedures of the agency issuing the policy, regulation, procedure or form, or has a significant cost or administrative impact on contractors or offerors. This final rule is not required to be published for public comment, because it clarifies the application of the micro-purchase threshold as it relates to DoD procurements, and does not have significant effect beyond the internal operating procedures of the agency issuing the policy. These requirements affect only the internal operating procedures of the Government.

##### IV. Executive Orders 12866 and 13563

Executive Orders (E.O.s) 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). E.O. 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This is not a significant regulatory action and, therefore, was not subject to review under section 6(b) of E.O. 12866, Regulatory Planning and Review, dated September 30, 1993. This rule is not a major rule under 5 U.S.C. 804.

##### V. Executive Order 13771

This rule is not an E.O. 13771, Reducing and Controlling Regulatory Costs, regulatory action, because this rule is not significant under E.O. 12866.

##### VII. Regulatory Flexibility Act

Because a notice of proposed rulemaking and an opportunity for public comment are not required to be given for this rule under 41 U.S.C. 1707(a)(1) (see section III. of this preamble), the analytical requirements of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) are not applicable. Accordingly, no regulatory flexibility analysis is required and none has been prepared.

##### VIII. Paperwork Reduction Act

The rule does not contain any information collection requirements that require the approval of the Office of Management and Budget under the Paperwork Reduction Act (44 U.S.C. chapter 35).