

252.247-7005 [Amended]

32. Section 252.247-7005 is amended in the introductory text by revising the reference "247.270-7(f)" to read "247.270-6(e)".

252.247-7006 [Amended]

33. Section 252.247-7006 is amended in the introductory text by revising the reference "247.270-7(g)" to read "247.270-6(f)".

252.247-7007 [Amended]

34. Section 252.247-7007 is amended in the introductory text by revising the reference "247.270-7(h)" to read "247.270-6(g)".

35. Section 252.247-7020 is revised to read as follows:

252.247-7020 Additional Services.

As prescribed in 247.271-4(o), use the following clause:

Additional Services (AUG 2000)

The Contractor shall provide additional services not included in the Schedule, but required for satisfactory completion of the services ordered under this contract, at a rate comparable to the rate for like services as contained in tenders on file with the Military Traffic Management Command in effect at time of order.

(End of clause)

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DEPARTMENT OF DEFENSE**48 CFR Parts 217, 219, 236, and Appendix I to Chapter 2**

[DFARS Case 2000-D015]

Defense Federal Acquisition Regulation Supplement; North American Industry Classification System

AGENCY: Department of Defense (DoD).

ACTION: Interim rule with request for comments.

SUMMARY: The Director of defense Procurement has issued an interim rule amending the Defense Federal Acquisition Regulation Supplement (DFARS) to convert programs based on the Standard Industrial Classification system to the North American Industry Classification System, in accordance with the final rule issued by the Small Business Administration on May 15, 2000.

DATES: *Effective date:* October 1, 2000.

Comment date: Comments on the interim rule should be submitted in writing to the address shown below on or before October 16, 2000 to be

considered in the formation of the final rule.

ADDRESSES: Interested parties should submit written comments to: Defense Acquisition Regulations Council, Attn: Ms. Susan Schneider, OUSD (AT&L)DP(DAR), IMD 3D139, 3062 Defense Pentagon, Washington, DC 20301-3062; telefax (703) 602-0350.

E-mail comments submitted via the Internet should be addressed to: dfars@acq.osd.mil

Please cite DFARS Case 2000-D015 in all correspondence related to this rule. E-mail comments should cite DFARS Case 2000-D015 in the subject line.

FOR FURTHER INFORMATION CONTACT: Ms. Susan Schneider, (703) 602-0326.

SUPPLEMENTARY INFORMATION:**A. Background**

This interim rule amends the DFARS to convert programs based on the Standard Industrial Classification (SIC) system to the North American Industry Classification System (NAICS). The Small Business Administration (SBA) issued a final rule at 65 FR 30836 on May 15, 2000, providing a new size standards listing that is based on NAICS rather than SIC codes. The SBA rule requires Federal agencies to use the new size standards, beginning October 1, 2000, to determine whether a business is a small business concern. An interim rule amending the Federal Acquisition Regulation was published at 65 FR 46055 on July 26, 2000, with an effective date of October 1, 2000, to establish policy for use of the new size standards in Government acquisitions. This rule makes corresponding changes to the DFARS.

This rule was not subject to Office of Management and Budget review under Executive Order 12866, dated September 30, 1993.

B. Regulatory Flexibility Act

DoD does not expect this rule 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 this rule implements the final rule issued by SBA on May 15, 2000, and SBA has certified that the impact of the change from SIC to NAICS on each business will not be substantial. Therefore, DoD has not performed an initial regulatory flexibility analysis. DoD invites comments from small businesses and other interested parties. DoD also will consider comments from small entities concerning the affected DFARS subparts in accordance with 5 U.S.C. 610. Such comments should be submitted separately and should cite DFARS Case 2000-D015.

C. Paperwork Reduction Act

The Paperwork Reduction Act does not apply because the rule does not impose any information collection requirements that require the approval of the Office of Management and Budget under 44 U.S.C. 3501, *et seq.*

D. Determination To Issue an Interim Rule

A determination has been made under the authority of the Secretary of Defense that urgent and compelling reasons exist to publish this interim rule prior to affording the public an opportunity to comment. The SBA issued a final rule on May 15, 2000, providing a new size standards listing that is based on NAICS rather than SIC codes. The SBA rule requires Federal agencies to use the new size standards, beginning October 1, 2000, to determine whether a business is a small business concern. An interim rule amending the Federal Acquisition Regulation was published on July 26, 2000, with an effective date of October 1, 2000, to establish policy for use of the new size standards in Government acquisitions. Corresponding changes to the DFARS are now needed. The required implementation date of October 1, 2000, does not permit time for issuance of a proposed rule and evaluation of public comments. DoD will consider comments received in response to this interim rule in the formation of the final rule.

List of Subjects in 48 CFR Parts 217, 219, and 236

Government procurement.

Michele P. Peterson,

Executive Editor, Defense Acquisition Regulations Council.

Therefore, 48 CFR Parts 217, 219, 236 and Appendix I to Chapter 2 are amended as follows:

1. The authority citation for 48 CFR parts 217, 219, 236, and Appendix I to Subchapter I continues to read as follows:

Authority: 41 U.S.C. 421 and 48 CFR Chapter 1.

PART 217—SPECIAL CONTRACTING METHODS**217.401 [Amended]**

2. Section 217.401 is amended as follows:

a. In paragraph (1)(i) by removing "Standard Industrial Classification (SIC) Major Group" and adding in its place "North American Industry Classification System (NAICS) Industry Subsector"; and

b. In paragraph (1)(ii) by removing "SIC Major Group" and adding in its place "NAICS Industry Subsector".

PART 219—SMALL BUSINESS PROGRAMS

219.201 [Amended]

3. Section 219.201 is amended in paragraph (f) in the first sentence by removing "Standard Industrial Classification Major Group" and adding in its place "North American Industry Classification System Industry Subsector".

4. Section 219.502-3 is revised to read as follows:

219.502-3 Partial set-asides.

(c)(1) If the North American Industry Classification System Industry Subsector of the acquisition is one in which use of a price evaluation adjustment for small disadvantaged business concerns is currently authorized (*see* FAR 19.201(b)), apply the adjustment to the non-set-aside portion.

5. Section 219.1005 is amended by revising paragraph (b) to read as follows:

219.1005 Applicability.

* * * * *

(b) The targeted industry categories for DoD are:

North American Industry Classification System (NAICS) Description	NAICS Code
(1) Pharmaceutical Preparation Manufacturing	325412
(2) Ammunition (except Small Arms) Manufacturing	332993
(3) Other Ordnance and Accessories Manufacturing	332995
(4) Turbine and Turbine Generator Set Unit Manufacturing	333611
(5)(i) Aircraft Engine and Engine Parts Manufacturing	336412
(ii) Research and Development in the Physical, Engineering, and Life Sciences (Aircraft Engines and Engine Parts only)	54171
(6)(i) Guided Missile and Space Vehicle Manufacturing	336414
(ii) Research and Development in the Physical, Engineering, and Life Sciences (Guided Missiles and Space Vehicles only)	54171
(7)(i) Other Guided Missile and Space Vehicle Parts and Auxiliary Equipment Manufacturing	336419
(ii) Research and Development in the Physical, Engineering, and Life Sciences (Guided Missile and Space Vehicle Parts and Auxiliary Equipment only)	54171
(8) Military Armored Vehicle, Tank and Tank Component Manufacturing	336992
(9) Search and Navigation System and Instrument Manufacturing	334511
(10)(i) Cellular and Other Wireless Telecommunications	513322
(ii) Satellite Telecommunications ..	51334
(iii) Other Telecommunications	51339

219.1203 [Amended]

6. Section 219.1203 is amended in the first sentence by removing "SIC Major Groups" and adding in its place "North American Industry Classification System Industry Subsectors".

PART 236—CONSTRUCTION AND ARCHITECT-ENGINEER CONTRACTS

236.602-1 [Amended]

7. Section 236.602-1 is amended as follows:

a. In paragraph (a)(i)(6)(A) introductory text in the last sentence by removing "Standard Industrial Classification Major Group" and adding in its place "North American Industry Classification System (NAICS) Industry Subsector"; and

b. In paragraph (a)(i)(6)(C) by removing "Standard Industrial Classification Major Group" and adding in its place "NAICS Industry Subsector", and by revising the second parenthetical to read "(see FAR 19.201(b))".

Appendix I—Policy and Procedures for the DoD Pilot Mentor-Protege Program

I-104 [Amended]

8. Section I-104 is amended in paragraph (a)(1)(ii) by removing "Standard Industrial Classification (SIC)" and adding in its place "North American Industry Classification System (NAICS)".

I-106 [Amended]

9. Section I-106 is amended in paragraph (c)(2)(ii) by removing "SIC" and adding in its place "NAICS".

I-107 [Amended]

10. Section I-107 is amended in paragraph (b)(2) by removing "SIC" both places it appears and adding in its place "NAICS".

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DEPARTMENT OF DEFENSE

48 CFR Part 219 and Appendix I to Chapter 2

[DFARS Case 99-D307]

Defense Federal Acquisition Regulation Supplement; Mentor-Protege Program Improvements

AGENCY: Department of Defense (DoD).

ACTION: Final rule.

SUMMARY: The Director of Defense Procurement has adopted as final, with changes, an interim rule amending the

Defense Federal Acquisition Regulation Supplement (DFARS) to implement Section 811 of the National Defense Authorization Act for Fiscal Year 2000. Section 811 amends statutory provisions pertaining to the DoD Pilot Mentor-Protege Program.

EFFECTIVE DATE: August 17, 2000.

FOR FURTHER INFORMATION CONTACT: Ms. Susan L. Schneider, Defense Acquisition Regulations Council, OUSD (AT&L) DP (DAR), IMD 3D139, 3062 Defense Pentagon, Washington, DC 20301-3062. Telephone (703) 602-0326; telefax (703) 602-0350. Please cite DFARS Case 99-D307.

SUPPLEMENTARY INFORMATION:

A. Background

DoD published an interim rule at 65 FR 6554 on February 10, 2000. The rule amended policy on the Mentor-Protege Program in DFARS Subpart 219.71 and Appendix I to implement Section 811 of The National Defense Authorization Act for Fiscal Year 2000 (Public Law 106-65). This final rule contains additional clarifying amendments, to include clarification that progress reports required from protege firms may be submitted as part of the mentor firm's annual report.

Three sources submitted comments on the interim rule. DoD considered all comments in the development of the final rule.

This rule was not subject to Office of Management and Budget review under Executive Order 12866, dated September 30, 1993.

B. Regulatory Flexibility Act

DoD certifies that this final rule will not 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 the rule changes procedures for administering and monitoring the Mentor-Protege Program, but maintains the primary objective of providing incentives for major DoD contractors to assist small disadvantaged business concerns and qualified organizations employing the severely disabled in enhancing their capabilities to satisfy Government and commercial contract requirements.

C. Paperwork Reduction Act

The Office of Management and Budget (OMB) has approved the information collection requirements contained in this rule, for use through July 31, 2003, under OMB Clearance Number 0704-0412.