

to conform them to the revisions made by this final rule. However, as required by Section 1010(d), no interest penalty shall accrue under this rule for any delay in payment that occurred prior to December 15, 2000.

Neither section 1010 nor this final rule is intended to modify current agency practices or policies regarding dates for payment for interim payments on cost-reimbursement service contracts, other than to require—in accordance with section 1010(a)—that PPA interest penalties be paid on interim payments that are made more than 30 days after the agency receives a proper invoice. In particular, section 1010 leaves unaffected existing agency policies that call for these interim payments to be made well in advance of 30 days. For example, it is the policy of the Department of Defense to generally pay contractors 14 days or less after being billed for reimbursements on cost-reimbursement contracts. See subpart 232.906 of the Department of Defense Supplement to the Federal Acquisition Regulation (DFARS), 48 CFR Chapter 2.

## II. Regulatory Flexibility Act, Unfunded Mandates Reform Act, Congressional Review Act, and Executive Orders 12866 and 12875

This final rule will not have a significant economic effect on a substantial number of small entities; the regulations implement section 1010 of the National Defense Authorization Act for Fiscal Year 2001, as amended by section 1007 of the National Defense Authorization Act for Fiscal Year 2002. Section 1010 requires Federal agencies to pay an interest penalty whenever they make interim payments on cost-reimbursement service contracts more than 30 days after they receive a proper invoice. For purposes of the Unfunded Mandates Reform Act of 1995 (Public Law 104-4), as well as Executive Orders 12866 and 12875, the final rule will not significantly or uniquely affect small governments, and will not result in increased expenditures by State, local, and tribal governments, or by the private sector, of \$100 million or more. Finally, the final rule is not a “major rule” under 5 U.S.C. Chapter 8; the rule will not have any of the effects set forth in 5 U.S.C. 804(2).

## III. Paperwork Reduction Act

The Paperwork Reduction Act does not apply to this final rule because the rule's changes do not impose new recordkeeping requirements or collections of information from offerors, contractors, or members of the public that require approval under 44 U.S.C. 3501, *et seq.* The information a

contractor must submit in order to receive an interim payment under a cost-reimbursement service contract is addressed at section 1315.9(b)(2) of the revised PPA regulations. Section 1315.9(b)(2) states that an interim payment request must correctly include all the information required by the contract or by agency procedures.

### List of Subjects in 5 CFR Part 1315

Administrative practice and procedure, Government contracts, Penalties, Reporting and recordkeeping requirements.

**Mitchell E. Daniels, Jr.**,  
*Director.*

### Authority and Issuance

For reasons set out in the preamble, the interim rule amending 5 CFR Part 1315 published at 65 FR 78403, December 15, 2000, is adopted as final with the following change:

### PART 1315—PROMPT PAYMENT

1. The authority citation for part 1315 is revised to read as follows:

**Authority:** 31 U.S.C. chapter 39; Section 1010 of Public Law 106-398, 114 Stat. 1654; Section 1007 of Public Law 107-107, 115 Stat. 1012.

2. Section 1315.20 is revised to read as follows:

#### § 1315.20 Application of Section 1010 of the National Defense Authorization Act for Fiscal Year 2001.

Section 1010 of the National Defense Authorization Act for Fiscal Year 2001 (Public Law 106-398, 114 Stat. 1654), as amended by section 1007 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107-107, 115 Stat. 1012), requires an agency to pay an interest penalty whenever the agency makes an interim payment under a cost-reimbursement contract for services more than 30 days after the date the agency receives a proper invoice for payment from the contractor. This part implements Section 1010, as amended, and is applicable in the following manner:

(a) This part shall apply to all interim payment requests that are due on or after December 15, 2000 under cost-reimbursement service contracts awarded before, on, or after December 15, 2000.

(b) No interest penalty shall accrue under this part for any delay in payment that occurred prior to December 15, 2000.

(c) Agencies are authorized to issue modifications to contracts, as necessary, to conform them to the provisions in

this part implementing Section 1010, as amended.

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## DEPARTMENT OF AGRICULTURE

### Agricultural Marketing Service

#### 7 CFR Part 51

[Docket # FV-98-303]

#### Apples; Grade Standards

**AGENCY:** Agricultural Marketing Service, USDA.

**ACTION:** Final rule; correction.

**SUMMARY:** The Agricultural Marketing Service published in the **Federal Register** on November 19, 2002, (67 FR 69660) final regulations revising the United States Standards for Grades of Apples. In that document, incomplete paragraph references were published. This document corrects those references.

**EFFECTIVE DATE:** December 30, 2002.

**FOR FURTHER INFORMATION CONTACT:** David Priester, Standardization Section, Fresh Products Branch, Fruit and Vegetable Programs, Agricultural Marketing Service, U.S. Department of Agriculture, 1400 Independence Avenue, SW., Room 2065 South Building, STOP 0240, Washington, DC 20250; Fax (202) 720-8871.

#### SUPPLEMENTARY INFORMATION:

#### Background

The final regulations that are the subject of these corrections contained conforming and editorial changes to the United States Standards for Grades of Apples. The rule was necessary to update and revise the standards to more accurately represent today's marketing practices.

#### Need for Correction

As published, the final regulations contains errors which may prove to be misleading and are in need of clarification.

#### Correction of Publication

Accordingly, the publication on November 19, 2002 (67 FR 69660), which is the subject of FR Doc. 02-29034, is corrected as follows:

#### § 51.316 [Corrected]

1. On page 69666, first column, paragraph (e)(3), the words “paragraphs (1)” are corrected to read “paragraphs (e)(1)”.

**§ 51.317 [Corrected]**

2. On page 69666, third column, paragraph (g)(3), the words "paragraphs (1)" are corrected to read "paragraphs (g)(1)".

**§ 51.318 [Corrected]**

3. On page 69667, second column, paragraph (i)(e), the words "paragraphs (1)" are corrected to read "paragraphs (i)(1)".

Dated: December 20, 2002.

A.J. Yates,

*Administrator, Agricultural Marketing Service.*

[FR Doc. 02-32805 Filed 12-27-02; 8:45 am]

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## NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

### 36 CFR Part 1228

RIN 3095-AB03

#### Expanding Transfer Options for Electronic Records

**AGENCY:** National Archives and Records Administration (NARA).

**ACTION:** Final rule.

**SUMMARY:** NARA is amending the regulations for the transfer of permanent records to NARA by permitting two additional electronic records transfer methods, File Transfer Protocol (FTP) and Digital Linear Tape IV (DLTtape IV). NARA is introducing these transfer methods to reduce the media and shipping costs of electronic records transferred from Government agencies, improve record and file integrity, and expand the options for transfer methods. This rule will affect Government agencies transferring permanent electronic records to the National Archives of the United States.

**EFFECTIVE DATE:** January 29, 2003. The incorporation by reference of certain publications listed in this rule is approved by the Director of the Federal Register as of January 29, 2003.

**FOR FURTHER INFORMATION CONTACT:** Jennifer Davis Heaps at telephone number 301-837-1801, or fax number 301-837-0319.

**SUPPLEMENTARY INFORMATION:** The proposed rule was published in the June 26, 2002, *Federal Register* (67 FR 43069) for a 60-day public comment period. NARA notified Federal records officers and historical, archival, and records management organizations of the availability of the proposed rule. A copy of the proposed rule was also posted on the NARA web site.

NARA received seven responses to the proposed rule, six from Federal agencies and one from a private sector commenter.

#### File Transfer Protocol

FTP is a media-less transfer method that can be used to transfer electronic records. FTP operates by using special software located at the sending and receiving sites. This software, in combination with a telecommunications network, provides the means for transferring electronic records. The agency may send any documentation in electronic format to NARA via FTP as part of the transfer of the electronic records or through any other acceptable method of transfer as specified in 36 CFR 1228.270.

Three comments raised questions concerning the security of FTP for transferring records. One agency asked whether files transferred by FTP would be sent encrypted because there is no mention of this in the proposed rule. Another agency and the non-Federal commenter expressed similar concern about FTP as an insecure method of transferring sensitive files and asked whether provisions have been made to secure the transfer and receipt of files by FTP. NARA is only accepting unclassified, uncompressed, unrestricted, and unencrypted files via FTP. We have made provisions to secure the transfer and receipt of electronic files transferred by FTP.

One agency asked whether there are risks to data integrity when transferring electronic records via FTP. The non-Federal commenter claimed that FTP is deficient for logging, or tracking and recording, transfers, for authenticating senders and receivers, and for reliability. During NARA's pilot testing of alternatives to media-based transfer methods, NARA has continued to evaluate various secure file transfer applications to ensure that we have a reliable system that maintains data integrity, authenticity, usability, traceability, and reliability. Any transfer application NARA uses at any time will also enforce security during the transfer of permanent scheduled electronic records.

One agency asked how data transferred by FTP will be verified for accuracy. All electronic files, not just those sent via FTP, go through an evaluation and validation review process before the accessioning process is completed.

One agency asked what specific telecommunication network, for example web site or dial-up modem, is required to transfer data via FTP. NARA's response is that the transfer of

files using FTP can be accomplished in a variety of ways. The most common methods are dial-up modems and high-speed or broadband Internet connections. NARA works closely with each individual agency in arranging its specific FTP transfers to ensure that the agency has an appropriate secure means of transferring the records by FTP.

#### DLTtape IV

DLTtape IV cartridge tape is a high-density magnetic cartridge tape that can store up to 40 gigabytes of information on each cartridge. DLTtape IV tapes are used by selected tape drive units produced by several companies. DLTtape IV tape preparation will follow existing cartridge tape specifications.

One agency commented that requiring the format to be uncompressed reduces some of the viability of DLT media for file transfer and asked NARA to reconsider this requirement. NARA did not adopt this comment because compression can risk losing record information.

One agency asked whether NARA will provide further guidance on using these transfer methods. Yes, agencies seeking further guidance for specific transfers of records should contact NARA's Electronic and Special Media Records Services Division (NWME) as cited in §§ 1228.270(c)(1)(iii) and 1228.270(c)(3)(iii).

#### Other Transfer Methods and Media

NARA has only used media-based transfer methods in the past, but has been testing other methods as well as additional media. Three agencies commented that NARA should continue to consider other methods, media, and formats for the transfer of permanent electronic records. One of these agencies mentioned that DLT tapes are evolving to SDLT tapes that have 100/200GB densities. This agency expressed concern that although some SDLT tape drives claim to be backward compatible with the ability to read from DLT tapes of lesser densities, it is unknown whether that will hold as the SDLT technology matures. One agency commented that the new emerging standard for software and data storage is DVD and asked NARA to consider adding DVD to the approved media cited at § 1228.270(c)(2). NARA did not adopt this comment. While DVD may prove to be an emerging standard, it does not currently have significant presence in the industry for data storage. DVD lacks widespread standardization, market placement, and compatibility with various drive types. By comparison, DLT has established standardization, market placement, and