

concerns, and eligible women-owned small business (WOSB) concerns (see 13 CFR 127.200–13 and 127.305 for eligibility and certification requirements), in industries determined by the Small Business Administration (SBA) to be underrepresented or substantially underrepresented by small business concerns owned and controlled by women, with respect to Federal procurement.

Pursuant to this statutory change and in conformance with the Small Business Administration's (SBA's) revised regulations at 13 CFR 127.503(a)(2) and 127.503(b)(2) (see SBA's interim final rule published in the **Federal Register** at 78 FR 26504 on May 7, 2013), an interim FAR rule was published in the **Federal Register** at 78 FR 37692 on June 21, 2013, removing the dollar limitations for set-asides to EDWOSB concerns or WOSB concerns eligible under the WOSB Program. The interim rule allows contracting officers to set aside acquisitions for competition restricted to EDWOSB concerns or WOSB concerns eligible under the WOSB Program at any dollar level above the micro-purchase threshold, provided the other requirements for a set-aside under the WOSB Program are met.

II. Discussion and Analysis

The comment period for the FAR interim rule closed on August 20, 2013. No public comments were received; therefore DoD, GSA, and NASA are finalizing the interim rule without change.

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. Regulatory Flexibility Act

DoD, GSA, and NASA have prepared a Final Regulatory Flexibility Analysis (FRFA) consistent with the Regulatory Flexibility Act, 5 U.S.C. 601, *et seq.* The FRFA is summarized as follows:

The objective of this final rule is to finalize the changes set forth in section 1697 of the National Defense Authorization Act for fiscal year 2013. Section 1697 eliminated the statutory limitations (thresholds) at section 8(m) of the Small Business Act, (15 U.S.C. 637(m)), for set-asides to economically disadvantaged women-owned small business (EDWOSB) concerns and to women-owned small business (WOSB) concerns eligible under the WOSB Program in industries that are underrepresented or substantially underrepresented by WOSB concerns. This final rule follows an interim rule that was published in the **Federal Register** at 78 FR 37692 on June 21, 2013, which removed the set-aside limitations set forth at FAR 19.1505(b)(2) and (c)(2), in keeping with the statutory change and SBA's revised regulations.

There were no comments received in response to the interim rule by its closing date of August 20, 2013. Therefore, the changes made in the interim rule will be adopted as final, without change, allowing contracting officers to set aside acquisitions for competition restricted to EDWOSB concerns or WOSB concerns eligible under the WOSB Program at any dollar level above the micro-purchase threshold, provided the other requirements for a set-aside under the WOSB Program are met.

Analysis of the Federal Procurement Data System from April 1, 2011 (the implementation date of the WOSB Program) through January 1, 2013, revealed that there were approximately 26,712 WOSB concerns, including 131 EDWOSB concerns and 388 WOSB concerns eligible under the WOSB Program, that received obligated funds from Federal contract awards, task or delivery orders, and modifications to existing contracts. This final rule may have a significant positive economic impact on EDWOSB concerns competing for contracting opportunities in industries determined by SBA to be underrepresented by WOSB concerns and may positively affect WOSB concerns eligible under the WOSB Program competing in industries determined by SBA to be substantially underrepresented by WOSB concerns, since removing the dollar threshold for set-asides under the WOSB Program will provide greater access to Federal contracting opportunities. However, this rule may have a negative effect on firms that are women-owned but are not WOSB Program participants and small businesses that are not owned by women because those firms may now be excluded from competition on some acquisitions that previously could not be set aside for EDWOSB concerns or WOSB concerns eligible under the WOSB Program due to the dollar thresholds and now will be set aside.

This final rule does not impose new recordkeeping or reporting requirements. The rule does not duplicate, overlap, or conflict with any other Federal rules. There are no alternatives to the rule that would accomplish the stated objectives of the statute.

Interested parties may obtain a copy of the FRFA from the Regulatory Secretariat. The Regulatory Secretariat

has submitted a copy of the FRFA to the Chief Counsel for Advocacy of the Small Business Administration.

V. Paperwork Reduction Act

The final 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 Part 19

Government procurement.

Dated: June 13, 2014.

William Clark,

Acting Director, Office of Government-Wide Acquisition Policy, Office of Acquisition Policy, Office of Government-Wide Policy.

Interim Rule Adopted as Final Without Change

■ Accordingly, the interim rule amending 48 CFR part 19 which was published in the **Federal Register** at 78 FR 37692 on June 21, 2013, is adopted as a final rule without change.

[FR Doc. 2014–14381 Filed 6–23–14; 8:45 am]

BILLING CODE 6820–EP–P

DEPARTMENT OF DEFENSE

GENERAL SERVICES ADMINISTRATION

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

48 CFR Part 31

[FAC 2005–75; FAR Case 2014–012; Item III; Docket 2014–0012, Sequence 1]

RIN 9000–AM75

Federal Acquisition Regulation; Limitation on Allowable Government Contractor Compensation Costs

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

ACTION: Interim rule.

SUMMARY: DoD, GSA, and NASA are issuing an interim rule amending the Federal Acquisition Regulation (FAR) to implement section 702 of the Bipartisan Budget Act of 2013. In accordance with section 702, the interim rule revises the allowable cost limit relative to the compensation of contractor and subcontractor employees. Also, in accordance with section 702, this interim rule implements the possible exception to this allowable cost limit for scientists, engineers, or other specialists upon an agency determination that such

exceptions are needed to ensure that the executive agency has continued access to needed skills and capabilities.

DATES: *Effective Date:* June 24, 2014.

Comment Date: Interested parties should submit written comments to the Regulatory Secretariat on or before August 25, 2014 to be considered in the formulation of a final rule.

ADDRESSES: Submit comments identified by FAC 2005–75, FAR Case 2014–012, by any of the following methods:

- *Regulations.gov:* <http://www.regulations.gov>. Submit comments via the Federal eRulemaking portal by searching for “FAR Case 2014–012”. Select the link “Comment Now” that corresponds with “FAR Case 2014–012.” Follow the instructions provided at the “Comment Now” screen. Please include your name, company name (if any), and “FAR Case 2014–012” on your attached document.

- *Fax:* 202–501–4067.

- *Mail:* General Services Administration, Regulatory Secretariat (MVCB), ATTN: Ms. Flowers, 1800 F Street NW., 2nd Floor, Washington, DC 20405.

Instructions: Please submit comments only and cite FAC 2005–75, FAR Case 2014–012, in all correspondence related to this case. All comments received will be posted without change to <http://www.regulations.gov>, including any personal and/or business confidential information provided.

FOR FURTHER INFORMATION CONTACT: Mr. Edward N. Chambers, Procurement Analyst, at 202–501–3221 for clarification of content. For information pertaining to status or publication schedules, contact the Regulatory Secretariat at 202–501–4755. Please cite FAC 2005–75, FAR Case 2014–012.

SUPPLEMENTARY INFORMATION:

I. Background

The Bipartisan Budget Act of 2013 (Pub. L. 113–67) was enacted on December 26, 2013. Section 702 of the law amended the allowable cost limits of contractor and subcontractor employee compensation. Specifically, section 702 revised the application of the compensation cap, the amount of the cap, and the associated formula for annually adjusting it. The existing formula for determining the limit on the allowability of contractor and subcontractor employee compensation costs under 41 U.S.C. 1127 was repealed. Section 702 of the law set the initial limitation on allowable contractor and subcontractor employee compensation costs at \$487,000 per year, which will be adjusted annually to

reflect the change in the Employment Cost Index for all workers as calculated by the Bureau of Labor Statistics.

This interim rule also implements the authority provided by 10 U.S.C. 2324(e)(1)(P) and 41 U.S.C. 4304(a)(16), as amended by section 702(a), in which Congress has authorized the head of executive agencies to establish “one or more narrowly targeted exceptions for scientists, engineers, or other specialists upon a determination that such exceptions are needed to ensure that the executive agency has continued access to needed skills and capabilities.”

In section 702(c), Congress stated that the revised compensation cap “shall apply only with respect to costs of compensation incurred under contracts entered into on or after the date that is 180 days after the date of the enactment of this Act”. As the date of enactment was December 26, 2013, 180 days after is June 24, 2014. Accordingly, the revised compensation cap in this interim rule will apply to the costs of compensation for all contractor and subcontractor employees for contracts awarded, and costs incurred, on or after June 24, 2014.

II. 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 a significant regulatory action and, therefore, was 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.

III. Regulatory Flexibility Act

DoD, GSA, and NASA do 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.* However, an Initial Regulatory Flexibility Analysis (IRFA) has been prepared and is summarized as follows:

An analysis of data in the Federal Procurement Data System (FPDS) revealed that most contracts awarded to small entities are awarded on a fixed-price basis, and do not require application of the cost principle contained in this rule.

The interim rule imposes no reporting, recordkeeping, or other information collection requirements. The rule does not duplicate, overlap, or conflict with any other Federal rules, and there are no known significant alternatives to the rule.

The Regulatory Secretariat has submitted a copy of the IRFA to the Chief Counsel for Advocacy of the Small Business Administration. A copy of the IRFA may be obtained from the Regulatory Secretariat. DoD, GSA, and NASA invite comments from small business concerns and other interested parties on the expected impact of this rule on small entities.

DoD, GSA, and NASA will also consider comments from small entities concerning the existing regulations in subparts affected by this rule in accordance with 5 U.S.C. 610. Interested parties must submit such comments separately and should cite 5 U.S.C. 610 (FAC 2005–75, FAR Case 2014–012) in correspondence.

IV. Paperwork Reduction Act

The interim 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).

V. 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 Administration (GSA), and the Administrator of the National Aeronautics and Space Administration (NASA) that urgent and compelling reasons exist to promulgate this interim rule without prior opportunity for public comment. This action is necessary because section 702 of Pub. L. 113–67, signed into law on December 26, 2013, required that it shall apply only with respect to the costs of compensation incurred under contracts entered into on or after the date that is 180 days after the date of the enactment of this Act (June 24, 2014). This statute revises the allowable cost limit relative to the compensation costs of contractor and subcontractor employees. Therefore, issuing an interim rule that is effective upon publication, prior to the receipt of public comment will allow agencies and contractors to implement the requirements of this law by the required date of June 24, 2014. Pursuant to 41 U.S.C. 1707 and FAR 1.501–3(b), DoD, GSA, and NASA will consider public comments received in response to this interim rule in the formation of the final rule.

List of Subjects in 48 CFR Part 31

Government procurement.

Dated: June 13, 2014.

William Clark,*Acting Director, Office of Government-Wide Acquisition Policy, Office of Acquisition Policy, Office of Government-Wide Policy.*

Therefore, DoD, GSA, and NASA amend 48 CFR part 31, as set forth below:

PART 31—CONTRACT COST PRINCIPLES AND PROCEDURES

■ 1. The authority citation for 48 CFR part 31 continues to read as follows:

Authority: 40 U.S.C. 121(c); 10 U.S.C. chapter 137; and 51 U.S.C. 20113.

■ 2. Amend section 31.205–6 by—

■ a. Revising the heading of paragraph (p), and paragraphs (p)(1) and (p)(2);

■ b. Redesignating paragraph (p)(3) as paragraph (p)(4); and

■ c. Adding a new paragraph (p)(3).

The revised and added text reads as follows:

31.205–6 Compensation for personal services.

* * * * *

(p) *Limitation on allowability of compensation.* (1) *Senior executive compensation limit for contracts awarded before June 24, 2014.* (i) *Applicability.* This paragraph (p)(1) applies to the following:

(A) To all executive agencies, other than DoD, NASA, and the Coast Guard, for contracts awarded before June 24, 2014;

(B) To DoD, NASA, and the Coast Guard for contracts awarded before December 31, 2011;

(ii) *Costs incurred after January 1, 1998.* Costs incurred after January 1, 1998 for the compensation of a senior executive in excess of the benchmark compensation amount determined applicable for the contractor fiscal year by the Administrator, Office of Federal Procurement Policy (OFPP), under 41 U.S.C 1127 as in effect prior to June 24, 2014, are unallowable (10 U.S.C. 2324(e)(1)(P) and 41 U.S.C 4304(a)(16), as in effect prior to June 24, 2014). This limitation is the sole statutory limitation on allowable senior executive compensation costs incurred after

January 1, 1998, under contracts awarded before June 24, 2014, and applies whether or not the affected contracts were previously subject to a statutory limitation on such costs. (Note that pursuant to section 804 of Pub. L. 105–261, the definition of “senior executive” in paragraph (p)(4) has been changed for compensation costs incurred after January 1, 1999.)

(2) *All employee compensation limit for contracts awarded before June 24, 2014.* (i) *Applicability.* This paragraph (p)(2) applies to DOD, NASA, and the Coast Guard for contracts awarded on or after December 31, 2011 and before June 24, 2014;

(ii) *Costs incurred after January 1, 2012.* Costs incurred after January 1, 2012, for the compensation of any contractor employee in excess of the benchmark compensation amount, determined applicable for the contractor fiscal year by the Administrator, Office of Federal Procurement Policy (OFPP) under 41 U.S.C 1127 are unallowable (10 U.S.C. 2324(e)(1)(P)).

(3) *All employee compensation limit for contracts awarded on or after June 24, 2014.* (i) *Applicability.* This paragraph (p)(3) applies to all executive agency contracts awarded on or after June 24, 2014, and any subcontracts thereunder;

(ii) *Costs incurred on or after June 24, 2014.* Costs incurred on or after June 24, 2014, for the compensation of all employees in excess of the benchmark compensation amount determined applicable for the contractor fiscal year by the Administrator of the Office of Federal Procurement Policy are unallowable. See <http://www.whitehouse.gov/omb/procurement/cecp>.

(iii) *Exceptions.* An agency head may establish one or more narrowly targeted exceptions for scientists, engineers, or other specialists upon a determination that such exceptions are needed to ensure that the executive agency has continued access to needed skills and capabilities. In making such a determination, the agency shall consider, at a minimum, for each contractor employee in a narrowly targeted excepted position—

(A) The amount of taxpayer funded compensation to be received by each employee; and

(B) The duties and services performed by each employee.

* * * * *

[FR Doc. 2014–14379 Filed 6–23–14; 8:45 am]

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DEPARTMENT OF DEFENSE**GENERAL SERVICES ADMINISTRATION****NATIONAL AERONAUTICS AND SPACE ADMINISTRATION****48 CFR Chapter 1**

[Docket No. FAR 2014–0052, Sequence No. 3]

Federal Acquisition Regulation; Federal Acquisition Circular 2005–75; Small Entity Compliance Guide

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

ACTION: Small Entity Compliance Guide.

SUMMARY: This document is issued under the joint authority of DoD, GSA, and NASA. This *Small Entity Compliance Guide* has been prepared in accordance with section 212 of the Small Business Regulatory Enforcement Fairness Act of 1996. It consists of a summary of the rules appearing in Federal Acquisition Circular (FAC) 2005–75, which amends the Federal Acquisition Regulation (FAR). An asterisk (*) next to a rule indicates that a regulatory flexibility analysis has been prepared. Interested parties may obtain further information regarding these rules by referring to FAC 2005–75, which precedes this document. These documents are also available via the Internet at <http://www.regulations.gov>.

DATES: June 24, 2014.

FOR FURTHER INFORMATION CONTACT: For clarification of content, contact the analyst whose name appears in the table below. Please cite FAC 2005–75 and the FAR case number. For information pertaining to status or publication schedules, contact the Regulatory Secretariat at 202–501–4755.

RULES LISTED IN FAC 2005–75

Item	Subject	FAR Case	Analyst
*I	EPEAT Items (Interim)	2013–016	Chambers.
*II	Contracting with Women-Owned Small Business Concerns	2013–010	Morgan.
*III	Limitation on Allowable Government Contractor Compensation Costs (Interim)	2014–012	Chambers.