

DEPARTMENT OF DEFENSE**GENERAL SERVICES
ADMINISTRATION****NATIONAL AERONAUTICS AND
SPACE ADMINISTRATION****48 CFR Part 31**

[FAR Case 2001–021]

RIN 9000–AJ38

**Federal Acquisition Regulation;
Training and Education Cost Principle;
Amendment**

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

ACTION: Amendment of a proposed rule with request for comments.

SUMMARY: The Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) are correcting an error in the supplementary information of the proposed rule published in the **Federal Register** on May 15, 2002, at 67 FR 34810. That proposed rule would amend the Federal Acquisition Regulation (FAR) “Training and Education Costs” cost principle.

DATES: Interested parties should submit comments on the proposed rule in writing on or before July 15, 2002, to be considered in the formulation of a final rule.

ADDRESSES: Submit written comments to: General Services Administration, FAR Secretariat (MVP), 1800 F Street, NW, Room 4035, ATTN: Laurie Duarte, Washington, DC 20405.

Submit electronic comments via the Internet to: farcase.2001-021@gsa.gov.

Please submit comments only and cite FAR case 2001–021 in all correspondence related to this case.

FOR FURTHER INFORMATION CONTACT: The FAR Secretariat, Room 4035, GS Building, Washington, DC, 20405, at (202) 501–4755 for information pertaining to status or publication schedules. For clarification of content, contact Mr. Jeremy Olson at (202) 501–3221. Please cite FAR case 2001–021.

SUPPLEMENTARY INFORMATION: On May 15, 2002, the Councils published a proposed amendment to the Federal Acquisition Regulation (FAR) “Training and Education Costs” cost principle, set forth at FAR 31.205–44. The “Background” discussion of the **SUPPLEMENTARY INFORMATION** section of the **Federal Register** notice published with the proposed rule mistakenly stated that the proposed amendments would eliminate the job relationship requirement from this cost principle (see 67 FR 34810). Although the Councils considered eliminating this requirement from the cost principle, this change was not adopted. The current policy which requires a relationship between the education and work is retained in the proposed amendments.

Accordingly, the Background discussion in the preamble of the

Federal Register notice published on May 15, 2002, is corrected to read as follows:

A. Background

Currently, FAR 31.205–44, Training and education costs, is somewhat restrictive in that the cost principle differentiates between vocation training, part-time college level education, full-time education, and specialized programs with numerous specific limitations on the allowability of costs associated with each of these categories. Historically, most of these specific allowability limitations were intended to reflect industry practices, *e.g.*, the 156 hours per year limit on compensation for part-time college level education, the 2-year limitation on full-time graduate education, and the 16 weeks per year limit for specialized programs.

The proposed rule makes the costs associated with training and education generally allowable, subject to five public policy exceptions that are retained from the current cost principle. Except for these five expressly unallowable cost exceptions, the reasonableness of specific contractor training and education costs can best be assessed by reference to FAR 31.201–3, Determining reasonableness.

Dated: June 6, 2002.

Al Matera,

Director, Acquisition Policy Division.

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