or contact information unless you provide it in the body of your comment. If you send an e-mail comment directly to EPA without going through www.regulations.gov your e-mail address will be automatically captured and included as part of the comment that is placed in the public docket and made available on the Internet. If you submit an electronic comment, EPA recommends that you include your name and other contact information in the body of your comment and with any disk or CD-ROM you submit. If EPA cannot read your comment due to technical difficulties and cannot contact you for clarification, EPA may not be able to consider your comment. Electronic files should avoid the use of special characters, any form of encryption, and be free of any defects or viruses. For additional information about EPA's public docket visit the EPA Docket Center homepage at http:// www.epa.gov/epahome/docket.htm.

Docket: All documents in the docket are listed in the http:// www.regulations.gov index. Although listed in the index, some information is not publicly available, e.g., CBI or other information whose disclosure is restricted by statute. Certain other material, such as copyrighted material, will be publicly available only in hard copy. Publicly available docket materials are available either electronically in http:// www.regulations.gov or in hard copy at the Docket, EPA/DC, EPA West, Room B102, 1301 Constitution Ave., NW., Washington, DC. This docket facility is open from 8:30 a.m. to 4:30 p.m., Monday through Friday, excluding legal holidays. The docket telephone number is (202) 566–1742. The Public Reading Room is open from 8:30 a.m. to 4:30 p.m, Monday through Friday, excluding legal holidays. The telephone number for the public Reading room is (202) 566-1744.

FOR FURTHER INFORMATION CONTACT:

Marcia L. Spink, Air Protection Division, Office of Air Programs, Mail Code: 3AP20; Environmental Protection Agency, Region 3, 1650 Arch St., Philadelphia, PA 19103-2029; telephone (215) 814-2104, spink.marcia epa.gov, or Makeba A. Morris, Air Protection Division, Air Quality Planning Branch, Mail Code; 3AP21; Environmental Protection Agency, Region 3, 1650 Arch St., Philadelphia, PA 19103-2029; telephone number: (215) 814-2187; fax number: (215) 814-2124; e-mail address: morris.makeba@epa.gov. To schedule a meeting with EPA, please contact David Sanders, Ozone Policy & Strategies

Group, Air Quality Strategies & Standards Division, Mail Code C539–02, Office of Air Quality Planning & Standards, Research Triangle Park, NC 27711, telephone (919) 541–3356, or by e-mail at sanders.dave@epa.gov.

Dated: December 14, 2005.

William L. Wehrum,

Acting Assistant Administrator, Office of Air and Radiation.

[FR Doc. 05–24260 Filed 12–19–05; 8:45 am]

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Parts 52 and 70

[EPA-R07-OAR-2005-IA-0006; FRL-8010-8]

Approval and Promulgation of Implementation Plans and Operating Permits Program; State of Iowa

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: EPA proposes to approve revisions to the State Implementation Plan (SIP) submitted by the state of Iowa. These revisions include the general rulemaking that Iowa completes for the purpose of updating various rules, making clarifications and other minor revisions. EPA is also proposing approval of revisions to the Iowa Operating Permits Program for the purpose of updating and clarifying various rules included in the general rulemaking. These revisions add new definitions, as well as an administrative correction to a previously submitted rule. Approval of these revisions will ensure consistency between the state and Federally-approved rules, and ensure Federal enforceability of the State's revised air program rules.

DATES: Comments on this proposed action must be received in writing by January 19, 2006.

ADDRESSES: Submit your comments, identified by Docket ID No. EPA-R07-OAR-2005-IA-0006 by one of the following methods:

- 1. http://www.regulations.gov: Follow the on-line instructions for submitting comments.
- 2. E-mail: Heather Hamilton at *Hamilton.heather@epa.gov.*
- 3. Mail: Heather Hamilton, Environmental Protection Agency, Air Planning and Development Branch, 901 North 5th Street, Kansas City, Kansas 66101.
- 4. Hand Delivery or Courier. Deliver your comments to: Heather Hamilton,

Environmental Protection Agency, Air Planning and Development Branch, 901 North 5th Street, Kansas City, Kansas 66101. Such deliveries are only accepted during the Regional Office's normal hours of operation. The Regional Office's official hours of business are Monday through Friday, 8 to 4:30, excluding legal holidays.

Please see the direct final rule which is located in the Rules section of this **Federal Register** for detailed instructions on how to submit comments.

FOR FURTHER INFORMATION CONTACT:

Heather Hamilton at (913) 551–7039, or by e-mail at *Hamilton.heather@epa.gov.*

SUPPLEMENTARY INFORMATION: In the final rules section of the Federal Register, EPA is approving the state's submittal as a direct final rule without prior proposal because the Agency views this as a noncontroversial revision amendment and anticipates no relevant adverse comments to this action. A detailed rationale for the approval is set forth in the direct final rule. If no relevant adverse comments are received in response to this action, no further activity is contemplated in relation to this action. If EPA receives relevant adverse comments, the direct final rule will be withdrawn and all public comments received will be addressed in a subsequent final rule based on this proposed action. EPA will not institute a second comment period on this action. Any parties interested in commenting on this action should do so at this time. Please note that if EPA receives adverse comment on part of this rule and if that part can be severed from the remainder of the rule, EPA may adopt as final those parts of the rule that are not the subject of an adverse comment. For additional information, see the direct final rule which is located in the rules section of this Federal Register.

Dated: December 12, 2005.

James B. Gulliford,

Regional Administrator, Region 7.
[FR Doc. 05–24258 Filed 12–19–05; 8:45 am]
BILLING CODE 6560–50–P

DEPARTMENT OF DEFENSE

48 CFR Parts 215, 230, 252, and 253

[DFARS Case 2003-D014]

Defense Federal Acquisition Regulation Supplement; Contract Pricing and Cost Accounting Standards

AGENCY: Department of Defense (DoD).

ACTION: Proposed rule with request for comments.

SUMMARY: DoD is proposing to amend the Defense Federal Acquisition Regulation Supplement (DFARS) to update text addressing contract pricing matters and cost accounting standards administration. This proposed rule is a result of a transformation initiative undertaken by DoD to dramatically change the purpose and content of the DFARS.

DATES: Comments on the proposed rule should be submitted in writing to the address shown below on or before February 21, 2006, to be considered in the formation of the final rule.

ADDRESSES: You may submit comments, identified by DFARS Case 2003–D014, using any of the following methods:

- Federal eRulemaking Portal: http://www.regulations.gov. Follow the instructions for submitting comments.
- Defense Acquisition Regulations Web Site: http://emissary.acq.osd.mil/ dar/dfars.nsf/pubcomm. Follow the instructions for submitting comments.
- *E-mail: dfars@osd.mil.* Include DFARS Case 2003–D014 in the subject line of the message.
 - Fax: (703) 602-0350.
- *Mail:* Defense Acquisition Regulations System, Attn: Mr. Bill Sain, OUSD (AT&L) DPAP(DAR), IMD 3C132, 3062 Defense Pentagon, Washington, DC 20301–3062.
- Hand Delivery/Courier: Defense Acquisition Regulations System, Crystal Square 4, Suite 200A, 241 18th Street, Arlington, VA 22202–3402.

All comments received will be posted to http://emissary.acq.osd.mil/dar/dfars.nsf.

FOR FURTHER INFORMATION CONTACT: Mr. Bill Sain, (703) 602–0293.

SUPPLEMENTARY INFORMATION:

A. Background

DFARS Transformation is a major DoD initiative to dramatically change the purpose and content of the DFARS. The objective is to improve the efficiency and effectiveness of the acquisition process, while allowing the acquisition workforce the flexibility to innovate. The transformed DFARS will contain only requirements of law, DoDwide policies, delegations of FAR authorities, deviations from FAR requirements, and policies/procedures that have a significant effect beyond the internal operating procedures of DoD or a significant cost or administrative impact on contractors or offerors. Additional information on the DFARS Transformation initiative is available at

http://www.acq.osd.mil/dpap/dars/dfars/transformation/index.htm.

This proposed rule is a result of the DFARS Transformation initiative. The proposed DFARS changes include:

- Addition of text at 215.403–1(c) and 230.201–5(a)(1) to implement Section 817 of the National Defense Authorization Act for Fiscal Year 2003 (Pub. L. 107–314) regarding exceptions to cost or pricing data requirements and waiver of cost accounting standards.
- Deletion of 215.404–1(d), Cost realism analysis, because FAR 15.404–1 contains sufficient policy on this subject.
- Deletion of unnecessary introductory text at redesignated 215.404–71–4(f), Facilities capital employed, Values: Normal and designated ranges.
- Deletion of the definition of "Acceptable estimating system" from 215.407–5–70(a)(1), and relocation of the definition to the contract clause at 252.215–7002, Cost Estimating System Requirements; addition of a cross-reference in 215.407–5–70(a)(1) to the relocated definition; elimination of 215.407–5–70(b)(1)(iii) and (iv) and relocation of the language to the new definition at 252.215–7002(a); and deletion of duplicative language at 252.215–7002(b).
- Revision of 230.201–5(a)(1)(A) to address the authority of the Director, Defense Procurement and Acquisition Policy, to grant cost accounting standards waivers, in accordance with Section 802 of the National Defense Authorization Act for Fiscal Year 2000 (Pub. L. 106–65).
- Removal of 230.7000, Contract facilities capital estimates; 230.7001, Use of DD Form 1861; 230.7002, Preaward facilities capital applications; and 230.7004–2, DD Form 1861, and relocation of text on these subjects to 215.404–4, Profit, since these sections pertain to the calculation of weighted guidelines for profit, rather than cost accounting standards.
- Elimination of 230.7003, Postaward facilities capital applications, and 230.7004–1, Forms CASB–CMF, since these sections duplicate CAS 414, Cost of Money as an Element of the Cost of Facilities Capital; FAR 31.205–10, Cost of Money; and the implementing contract clauses.
- Elimination of the definitions at 230.7100(a) and (b), since these definitions are provided in the cost accounting standards (CAS); elimination of the definition at 230.7100(c), because it conflicts with CAS; and elimination of the definition at 230.7100(d), because it is unnecessary.

- Elimination of 230.7101, Calculations, and 230.7102, Determining imputed cost of money, because they are adequately covered in CAS 417, Cost of Money as an Element of the Cost of Capital Assets Under Construction (48 CFR 9904.417).
- Removal of 230.7103, Preaward capital employed application, and relocation of that coverage to 215.404–73(b)(2)(i), Offsets for facilities capital cost of money, since it applies to offsets in determining profit, rather than cost accounting standards.
- Relocation of the following text to the new DFARS companion resource, Procedures, Guidance, and Information (PGI). Additional information on PGI is available at http://www.acq.osd.mil/ dpap/dars/pgi.
- 215.403–1(c)(1), Adequate price competition.
- 215.403–5, Instructions for submission of cost or pricing data or information other than cost or pricing data.
- 215.404–2, Information to support proposal analysis.
- 215.404–3, Subcontract pricing considerations.
- 215.404–70, DD Form 1547, Record of Weighted Guidelines Method Application.
- 215.404–71–2(b), (d), and (e), Performance risk.
- 215.404–71–3(b), (d), (e), and (f)(3), Contract type risk and working capital adjustment.
- 215.404–71–4, Facilities capital employed (partial relocation).
- \bullet 215.404–71–5(b) and (c), Cost efficiency factor.
- 215.404–76, Reporting profit and fee statistics.
- 215.406–1, Prenegotiation objectives.
- 215.406–3, Documenting the negotiation.
 - 215.407–4, Should-cost review.
- 215.407–5–70(e) and (f), Estimating systems "Disclosure, maintenance, and review requirements.
- 215.470(b) and (c), Estimated data prices, except that the first sentence of (b) remains in DFARS, and is revised for clarity.
- 230.201–5(a)(1), Waiver (partial relocation).
- 253.215–70, DD Form 1547, Record of Weighted Guidelines Application.

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 the rule updates, clarifies, and relocates DFARS text, but makes no significant change to DoD contracting policy. Therefore, DoD has not performed an initial regulatory flexibility analysis. DoD invites comments from small businesses and other interested parties. DoD will also 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 2003-D014.

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.

List of Subjects in 48 CFR Parts 215, 230, 252, and 253

Government procurement.

Michele P. Peterson,

Editor, Defense Acquisition Regulations System.

Therefore, DoD proposes to amend 48 CFR Parts 215, 230, 252, and 253 as follows:

1. The authority citation for 48 CFR Parts 215, 230, 252, and 253 continues to read as follows:

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

PART 215—CONTRACTING BY NEGOTIATION

2. Section 215.403–1 is revised to read as follows:

215.403-1 Prohibition on obtaining cost or pricing data.

- (c) See PGI 215.403–1(c) for guidance on standards for exceptions from cost or pricing data requirements.
- (3) Commercial items. By November 30th of each year, the departments and agencies shall provide a report to the Director, Defense Procurement and Acquisition Policy (DPAP), ATTN: DPAP/Policy, of all commercial item exceptions granted under FAR 15.403–1(b)(3), during the previous fiscal year, for any contract, subcontract, or modification expected to have a value of \$15,000,000 or more. See PGI 215.403–1(c)(3) for the format and guidance for the report. The Director, DPAP, will submit a consolidated report to the congressional defense committees.
- (4) Waivers. (A) The head of the contracting activity may apply the

exceptional circumstances authority when a determination is made that:

- (1) The property or services cannot reasonably be obtained under the contract, subcontract, or modification, without the granting of the waiver;
- (2) The price can be determined to be fair and reasonable without the submission of certified cost or pricing data; and
- (3) There are demonstrated benefits to granting the waiver.
- (B) By November 30th of each year, the departments and agencies shall provide a report to the Director, DPAP, ATTN: DPAP/Policy, of all waivers granted under FAR 15.403–1(b)(4), during the previous fiscal year, for any contract, subcontract, or modification expected to have a value of \$15,000,000 or more. See PGI 215.403–1(c)(4)(B) for the format and guidance for the report. The Director, DPAP, will submit a consolidated report to the congressional defense committees.
- (C) DoD has waived the requirement for submission of cost or pricing data for the Canadian Commercial Corporation and its subcontractors.
- (D) DoD has waived cost or pricing data requirements for nonprofit organizations (including educational institutions) on cost-reimbursement-nofee contracts. The contracting officer shall require:
- (1) Submission of information other than cost or pricing data to the extent necessary to determine price reasonableness and cost realism; and
- (2) Cost or pricing data from subcontractors that are not nonprofit organizations when the subcontractor's proposal exceeds the cost or pricing data threshold at FAR 15.403–4(a)(1).
- 3. Section 215.403–5 is revised to read as follows:

215.403-5 Instructions for submission of cost or pricing data or information other than cost or pricing data.

When the solicitation requires contractor compliance with the Contractor Cost Data Reporting System, follow the procedures at PGI 215.403–5.

215.404-1 [Amended]

- 4. Section 215.404–1 is amended by removing paragraph (d).
- 5. Sections 215.404–2 and 215.404–3 are revised to read as follows:

215.404–2 Information to support proposal analysis.

See PGI 215.404–2 for guidance on obtaining field pricing or audit assistance.

215.404–3 Subcontract pricing considerations.

Follow the procedures at PGI 215.404–3 when reviewing a subcontractor's proposal.

6. Section 215.404–4 is amended by revising paragraph (b)(1) introductory text to read as follows:

215.404-4 Profit.

(b) * * *

- (1) Contracting officers shall use a structured approach for developing a prenegotiation profit or fee objective on any negotiated contract action when cost or pricing data is obtained, except for cost-plus-award-fee contracts (see 215.404–74, 216.405–2, and FAR 16.405–2) or contracts with Federally Funded Research and Development Centers (FFRDCs) (see 215.404–75). There are three structured approaches—
- 7. Section 215.404–70 is revised to read as follows:

215.404-70 DD Form 1547, Record of Weighted Guidelines Method Application.

Follow the procedures at PGI 215.404–70 for use of DD Form 1547 whenever a structured approach to profit analysis is required.

8. Section 215.404–71–2 is amended by revising paragraphs (b), (d), and (e) to read as follows:

215.404-71-2 Performance risk.

* *

(b) *Determination*. See PGI 215.404–71–2(b) for guidance on determining the risk factors to be included in DD Form 1547.

(d) Evaluation criteria for technical. See PGI 215.404–71–2(d) for guidance on evaluation criteria and examples of when above and below normal values should be applied.

(e) Evaluation criteria for management/cost control. See PGI 215.404–71–2(e) for guidance on evaluation criteria and examples of when above and below normal values should be applied.

9. Section 215.404–71–3 is amended by revising paragraphs (b), (d), (e), and (f)(3) to read as follows:

215.404–71–3 Contract type risk and working capital adjustment.

(b) *Determination*. See PGI 215.404–71–3(b) for guidance on determining the risk factors to be included in DD Form 1547.

(d) *Evaluation criteria*. See PGI 215.404–71–3(d) for guidance on evaluation criteria and examples of

when above and below normal values should be applied.

- (e) Costs financed. See PGI 215.404-71-3(e) for guidance for determining the amount included in DD Form 1547.
 - (f) * * *
- (3) An example is available at PGI 215.404-71-3(f)(3).
- 10. Section 215.404-71-4 is revised to read as follows:

215.404-71-4 Facilities capital employed.

- (a) Description. This factor focuses on encouraging and rewarding capital investment in facilities that benefit DoD. It recognizes both the facilities capital that the contractor will employ in contract performance and the contractor's commitment to improving productivity.
- (b) Contract facilities capital estimates. The contracting officer shall estimate the facilities capital cost of money and capital employed using:
- (1) An analysis of the appropriate Forms CASB-CMF and cost of money factors (48 CFR 9904.414 and FAR 31.205-10); and
- (2) DD Form 1861, Contract Facilities Capital Cost of Money.
- (c) Use of DD Form 1861. See PGI 215.404-71-4(c) for information on the purpose of DD Form 1861 and instructions for completion of the form.
- (d) Preaward facilities capital applications. Follow the procedures at PGI 215.404-71-4(d) for establishing cost and price objectives.
- (e) Determination. See PGI 215.404-71-4(e) for guidance on determining the amounts and values to be included in DD Form 1547.
- (f) Values: Normal and designated ranges.

Asset type	Normal value	Des- ignated range
Land Buildings Equipment	0% 0% 17.5%	N/A. N/A. 10% to 25%.

- (g) Evaluation criteria. See PGI 215.404-71-4(g) for guidance on evaluation criteria and examples of when above and below normal values should be applied.
- 11. Section 215.404-71-5 is amended by revising paragraph (b) and removing paragraph (c). The revised text reads as follows:

215.404-71-5 Cost efficiency factor.

* * *

(b) See PGI 215.404-71-5(b) for guidance on appropriate use of the special cost efficiency factor.

12. Section 215.404-73 is amended by revising paragraph (b)(2)(i) to read as follows:

215.404-73 Alternate structured approaches.

* (b) * * *

(2) * * *

- (i) The contracting officer shall reduce the overall prenegotiation profit objective by the amount of facilities capital cost of money under Cost Accounting Standard 414, Cost of Money as an Element of the Cost of Facilities Capital (48 CFR 9904.414). Cost of money under CAS 417, Cost of Money as an Element of the Cost of Capital Assets Under Construction (48 CFR 9904.417), should not be used to reduce the overall prenegotiation profit objective. The profit amount in the negotiation summary of the DD Form 1547 must be net of the offset. * * *
- 13. Sections 215.404-76, 215.406-1, and 215.406-3 are revised to read as follows:

215.404-76 Reporting profit and fee statistics.

Follow the procedures at PGI 215.404–76 for reporting profit and fee statistics.

215.406-1 Prenegotiation objectives.

See PGI 215.406-1 for guidance on establishing prenegotiation objectives.

215.406-3 Documenting the negotiation.

Follow the procedures at PGI 215.406-3 for documenting the negotiation.

14. Section 215.407-4 is revised to read as follows:

215.407-4 Should-cost review.

See PGI 215.407-4 for guidance on determining whether to perform a program or overhead should-cost review.

15. Section 215.407-5-70 is amended by revising paragraphs (a)(1), (b)(1), (e), and (f) to read as follows:

215.407-5-70 Disclosure, maintenance, and review requirements.

(1) Acceptable estimating system is defined in the clause at 252.215-7002, Cost Estimating System Requirements. * *

(b) * * *

(1) DoD policy is that all contractors have acceptable estimating systems that consistently produce well-supported proposals that are acceptable as a basis for negotiation of fair and reasonable prices.

- (e) Review procedures. Follow the procedures at PGI 215.407-5-70(e) for establishing and conducting estimating system reviews.
- (f) Disposition of survey team findings. Follow the procedures at PGI 215.407-5-70(f) for disposition of the survey team findings.

16. Section 215.470 is amended by revising paragraph (b), removing paragraph (c), and redesignating paragraph (d) as paragraph (c). The revised text reads as follows:

215.470 Estimated data prices.

(b) When data are required to be delivered under a contract, include DD Form 1423, Contract Data Requirements List, in the solicitation. See PGI 215.470(b) for guidance on the use of DD Form 1423.

PART 230—COST ACCOUNTING STANDARDS ADMINISTRATION

17. Section 230.201-5 is revised to read as follows:

230.201-5 Waiver.

- (a)(1)(A) The military departments and the Director, Defense Procurement and Acquisition Policy, Office of the Under Secretary of Defense (Acquisition, Technology, and Logistics):
- (1) May grant CAS waivers that meet the conditions in FAR 30.201-5(b)(1);
- (2) May grant CAS waivers that meet the conditions in FAR 30.201-5(b)(2), provided the cognizant Federal agency official granting the waiver determines
- (i) The property or services cannot reasonably be obtained under the contract, subcontract, or modification, as applicable, without granting the waiver;
- (ii) The price can be determined to be fair and reasonable without the application of the Cost Accounting Standards; and
- (iii) There are demonstrated benefits to granting the waiver.
- (B) Follow the procedures at PGI 230.201-5(a)(1) for submitting waiver requests to the Director, Defense Procurement and Acquisition Policy.
- (2) The military departments shall not delegate CAS waiver authority below the individual responsible for issuing contracting policy for the department.
- (e) By November 30th of each year, the military departments shall provide a report to the Director, Defense Procurement and Acquisition Policy,

ATTN: DPAP/Policy, of all waivers granted under FAR 30.201–5(a), during the previous fiscal year, for any contract, subcontract, or modification expected to have a value of \$15,000,000 or more. See PGI 230.201–5(e) for the format and guidance for the report. The Director, Defense Procurement and Acquisition Policy, will submit a consolidated report to the CAS Board and the congressional defense committees.

Subparts 230.70 and 230.71— [Removed]

18. Subparts 230.70 and 230.71 are removed.

PART 252—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

19. Section 252.215–7002 is amended as follows:

- a. By revising the clause date;
- b. In paragraph (a), by revising the paragraph heading and adding a definition of "Acceptable estimating system"; and
- c. By revising paragraph (b). The revised and added text reads as follows:

252.215–7002 Cost estimating system requirements.

* * * * *

COST ESTIMATING SYSTEM REQUIREMENTS (XXX 2005)

(a) Definitions.

Acceptable estimating system means an estimating system that—

- (1) Is maintained, reliable and consistently applied;
- (2) Produces verifiable, supportable and documented cost estimates that are an acceptable basis for negotiation of fair and reasonable prices;

- (3) Is consistent with and integrated with the Contractor's related management systems; and
- (4) Is subject to applicable financial control systems.

* * * * *

(b) *General*. The Contractor shall establish, maintain, and comply with an acceptable estimating system.

PART 253—FORMS

20. Section 253.215–70 is revised to read as follows:

253.215-70 DD Form 1547, Record of Weighted Guidelines Application.

Follow the procedures at PGI 253.215–70 for completing DD Form 1547.

[FR Doc. 05–24219 Filed 12–19–05; 8:45 am] $\tt BILLING\ CODE\ 5001-08-P$