

C. Failing to set forth the term "Persian Lamb" in the manner required where an election is made to use that term instead of the word "Lamb".

2. Falsely or deceptively invoicing fur products by:

A. Failing to furnish invoices to purchasers of fur products showing in words and figures plainly legible all the information required to be disclosed by each of the subsections of section 5(b) (1) of the Fur Products Labeling Act.

B. Setting forth information required under section 5(b) (1) of the Fur Products Labeling Act and the rules and regulations promulgated thereunder in abbreviated form.

It is further ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

Issued: February 12, 1962.

By the Commission.

[SEAL] JOSEPH W. SHEA,  
Secretary.

[F.R. Doc. 62-6434; Filed, July 2, 1962;  
8:49 a.m.]

[Docket No. C-73]

### PART 13—PROHIBITED TRADE PRACTICES

#### I. J. Fox, Inc., and Alfred H. Lilienthal

Subpart—Advertising falsely or misleadingly: § 13.155 Prices: § 13.155-40 Exaggerated as regular and customary; § 13.155-70 Percentage savings. Subpart—Invoicing products falsely: § 13.1108 Invoicing products falsely: § 13.1108-45 Fur Products Labeling Act. Subpart—Neglecting, unfairly or deceptively, to make material disclosure: § 13.1845 Composition: § 13.1845-30 Fur Products Labeling Act; § 13.1852 Formal regulatory and statutory requirements: § 13.1852-35 Fur Products Labeling Act; § 13.1865 Manufacture or preparation: § 13.1865-40 Fur Products Labeling Act; § 13.1900 Source or origin: § 13.1900-40 Fur Products Labeling Act; § 13.1900-40 (b) Place.

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended; sec. 8, 65 Stat. 179; 15 U.S.C. 45, 69f) [Cease and desist order, I. J. Fox, Inc., et al., Boston, Mass., Docket C-73, Feb. 12, 1962]

In the Matter of I. J. Fox, Inc., a Corporation, and Alfred H. Lilienthal, Individually and as an Officer of Said Corporation

Consent order requiring Boston furriers to cease violating the Fur Products Labeling Act by failing to show on invoices the true animal name of the fur used in fur products, when such fur was artificially colored, and the country of origin of imported furs, and failing to comply in other respects with invoicing requirements; by advertising in newspapers which represented prices of fur products as reduced from usual prices which were in fact fictitious, and as "1/3 to 1/2 off and even more" when such was

not true; and by making such price and value claims without maintaining adequate records as a basis therefor.

The order to cease and desist, including further order requiring report of compliance therewith, is as follows:

It is ordered, That respondents I. J. Fox, Inc., a Corporation, and its officers and Alfred H. Lilienthal, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, or manufacture for introduction, into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce, of any fur product; or in connection with the manufacture for sale, sale, advertising, offering for sale, transportation or distribution, of any fur product which is made in whole or in part of fur which has been shipped and received in commerce, as "commerce", "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

1. Falsely or deceptively invoicing fur products by:

A. Failing to furnish invoices to purchasers of fur products showing in words and figures plainly legible all the information required to be disclosed by each of the subsections of section 5(b) (1) of the Fur Products Labeling Act.

B. Setting forth information required under section 5(b) (1) of the Fur Products Labeling Act and the rules and regulations promulgated thereunder in abbreviated form.

C. Setting forth the term "assembled" or any term of like import as part of the information required under section 5(b) (1) of the Fur Products Labeling Act and the rules and regulations promulgated thereunder to describe fur products composed of any of the pieces or parts specified in Rule 20 of said rules and regulations.

2. Falsely or deceptively advertising fur products through the use of any advertisement representation, public announcement or notice which is intended to aid, promote or assist, directly or indirectly, in the sale, or offering for sale of fur products, and which:

A. Represents, directly or by implication, that the regular or usual price of any fur product is any amount which is in excess of the price at which respondents have usually and customarily sold such products in the recent regular course of business.

B. Represents directly or by implication through percentage savings claims that the prices of fur products are reduced in direct proportion to the percentage of savings stated when such is not the fact.

3. Making claims and representations of the types covered by subsections (a), (b), (c) and (d) of Rule 44 of the regulations promulgated under the Fur Products Labeling Act unless there are maintained by respondents full and adequate records disclosing the facts upon which such claims and representations are based.

It is further ordered, That the respondents herein shall within sixty (60) days

after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

Issued: February 12, 1962.

By the Commission.

[SEAL] JOSEPH W. SHEA,  
Secretary.

[F.R. Doc. 62-6435; Filed, July 2, 1962;  
8:49 a.m.]

[Docket No. C-71]

### PART 13—PROHIBITED TRADE PRACTICES

#### United States Credit Rating Bureau, Inc., and Landres Chilton

Subpart—Advertising falsely or misleadingly: § 13.15 Business status, advantages, or connections: § 13.15-80 Government connection; § 13.15-195 Nature; § 13.15-265 Service; § 13.15-270 Size and extent. Subpart—Using misleading name—Vendor: § 13.2380 Government connection; § 13.2425 Nature, in general.

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended; 15 U.S.C. 45) [Cease and desist order, United States Credit Rating Bureau, Inc., et al., Baltimore, Md., Docket C-71, Feb. 8, 1962]

In the Matter of United States Credit Rating Bureau, Inc., a Corporation, and Landres Chilton, Individually and as an Officer of Said Corporation

Consent order requiring Baltimore operators of a collection agency to cease representing falsely through use of their corporate name, that they were a "bureau" and were engaged in rating other concerns from a credit standpoint; and representing falsely in printed matter disseminated to clients and debtors that they provided "Nationwide Credit Protection".

The order to cease and desist, including further order requiring report of compliance therewith, is as follows:

It is ordered, That respondents United States Credit Rating Bureau, Inc., a corporation, and its officers, and Landres Chilton, individually and as an officer of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale or sale of any service or printed matter for use in the collection of claims or accounts, the solicitation of accounts or contracts therefor, or the collection of accounts in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using the words "credit rating" or "bureau", or any other term of similar import or meaning in the corporate name or in any other manner to designate, describe or refer to respondents' business, or otherwise representing, directly or by implication, that respondents' business is a credit rating bureau or is other than that of a collection agency;

2. Using the word "nationwide" to describe or refer to respondents' business, or otherwise representing, directly or by

implication, that respondents' business is nationwide in scope or that it serves an area larger than is the fact.

3. Using the words "credit protection" in connection with the business aforesaid or otherwise representing, directly or by implication, that respondents offer or supply credit protection or furnish credit reports.

*It is further ordered,* That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

Issued: February 8, 1962.

By the Commission.

[SEAL] JOSEPH W. SHEA,  
Secretary.

[F.R. Doc. 62-6436; Filed, July 2, 1962;  
8:50 a.m.]

## Title 32—NATIONAL DEFENSE

### Chapter VII—Department of the Air Force

#### SUBCHAPTER J—AIR FORCE PROCUREMENT INSTRUCTION

#### MISCELLANEOUS AMENDMENTS TO SUBCHAPTER

Subchapter J is amended as set forth below.

#### PART 1001—GENERAL PROVISIONS

##### Subpart A—Introduction

##### § 1001.100 [Deletion]

1. Delete § 1001.100.
2. Revise §§ 1001.101 to 1001.104 and 1001.107 to read as follows:

##### § 1001.101 Purpose of subchapter.

The Air Force Procurement Instruction (AFPI) (this subchapter) is issued by the Commander, AFLC by authority of the Secretary of the Air Force, delegated through the Director of Procurement Management (AFSPM), DCS/S&L, Hq USAF. It implements the Armed Services Procurement Regulation (ASPR) (Subchapter A, Chapter I of this title), and establishes for the Air Force uniform policies and procedures for the procurement of supplies and services under the authority of Chapter 137, Title 10 of the United States Code or other laws.

##### § 1001.102 Applicability of subchapter.

This subchapter applies to all procurements of supplies or services which obligate appropriated funds (including contract authorizations). If a particular part, subpart, or section has a limited application, it will so state.

##### § 1001.104 Content of subchapter.

This subchapter will contain all policies, procedures, and instructions relating to procurement of supplies and services within the Air Force, except those contained in Subchapter A, Chapter I of this title and the 70 series of Air Force regulations.

##### § 1001.107 Effective date.

Compliance with an amendment to the Air Force Procurement Instruction is permissible from the date of the change and will be mandatory 30 days thereafter, except:

(a) As otherwise prescribed in the amendment.

(b) Use of new or revised AFPI contract clauses, will, unless otherwise specified, be mandatory 90 days after date of issuance. However, procurements initiated after receipt of the new or revised clauses by the purchasing activity should, to the maximum practicable extent, include such clauses prior to the mandatory date. In the following situations, when compliance with the mandatory date is impracticable, procurements may be completed on the basis initiated, provided that, prior to the mandatory date for use of the new or revised clause: (1) DD Forms 746 and 746-1 have been issued, and the award is to be made by means of DD Form 746-2, (2) Invitations for Bids have been issued, or (3) bilateral contractual documents have been submitted to the contractors and introduction of the new or revised clause may delay the procurement.

##### Subpart C—General Policies

In § 1001.350, change the last sentence of the introductory paragraph to read as follows:

##### § 1001.350 Forward purchasing policy.

\* \* \* Consistent with this objective, and with the basic Air Force policy to make all procurements on a competitive basis to the maximum practical extent, the following requirements are established:

##### Subpart G—Small Business Concerns

Revise § 1001.706-5 to read as follows:

##### § 1001.706-5 Total set-asides.

(a) (1) Subject to any applicable preference for labor surplus set-asides every procurement, except proposed procurements for construction, in excess of \$2,500 will be set-aside either totally or partially for competition solely among small business concerns if records of previous procurements for the same item or service disclose that two or more small business concerns submitted responsive bids or proposals that were considered fair and reasonable. However, a partial set-aside may be appropriate where only one small business concern appears to have the technical competence and productive capacity to furnish a portion of the procurement (see § 1.706-6 of this title). Deviations from this policy may be approved in specific cases by notation on the PR or other authorized requisition by the chief of the contracting office or his designee provided the designee is not the contracting officer or buyer for the particular procurement. Procurements of less than \$2,500 which meet the criteria established by this paragraph (a) (1) may be set aside at the discretion of the contracting officer.

(2) All proposed procurements for construction (except Capehart Housing Construction) in excess of \$2,500 and

under \$500,000 will be individual total small business set-asides and such actions will be considered as having been initiated by the SBA and reported as joint small business set-asides.

(3) Proposed procurements for construction, amounting to \$500,000 or more will be considered on an individual procurement basis according to § 1.706-1 of this title.

(4) Proposed procurements for Capehart Housing construction are not subject to unilateral set-aside procedures and set-asides will not be agreed to by the contracting officer if initiated by the SBA. Appeal procedures according to § 1.706-2(a) (1) and (2) of this title will be followed. The foregoing applies to both on-site and off-site Capehart-Rains projects.

(5) For procurements for new family housing construction projects, other than Capehart-Rains, or family housing repair projects, the procedure below will be followed: If a unilateral set-aside on a housing procurement is being considered according to this section or if an SBA representative initiates a joint set-aside on a housing procurement of \$500,000 or more, prior to agreeing or disagreeing to such action the contracting officer will advise USAF (AFOCE-H). SBA set-asides of housing procurement of less than \$500,000 will be processed according to outstanding instructions without advising Hq USAF (AFOCE-H).

(b) and (c) See § 1.706-5 (b) and (c) of this title.

##### Subpart K—Qualified Products

##### § 1001.1103-50 [Amendment]

In § 1001.1103-50, *Waivers of qualification requirement*, amend the reference to read: "§ 1001.109-2."

##### Subpart M—Transportation

Revise §§ 1001.1302-1 and 1001.1305-3 to read as follows:

##### § 1001.1302-1 Shipments within the United States.

Central procurement activities will use the procedures specified in § 1.1302-1 (a) or (b) (2) of this title when a single destination is specified in the contractual document, that destination is considered definite (no future change in destination contemplated), and the destination is either an AFLC AMA or depot. If all the above conditions do not exist, it will be considered that valid reasons to the contrary exist, and delivery will be on the basis specified in paragraph (a) of this section.

(a) At the Government's option, f.o.b. carrier's equipment, wharf, or freight station at a specified city or shipping point at or near contractor's plant.

##### § 1001.1305 F.o.b. destination.

Central procurement activities see § 1001.1302-1. When supplies are to be delivered "f.o.b. destination" the following will appear in the schedule:

F.o.b. point: Supplies shall be shipped direct by the Contractor to the specified destinations on commercial bills of lading at the expense of the Contractor.

(Sec. 8012, 70A Stat. 488; 10 U.S.C. 8012. Interpret or apply secs. 2301-2314, 70A Stat. 127-133; 10 U.S.C. 2301-2314)

## PART 1002—PROCUREMENT BY FORMAL ADVERTISING

### Subpart B—Solicitation of Bids

In § 1002.201, amend paragraph (b) as follows:

§ 1002.201 Preparation of invitations for bids.

- (b) \* \* \*
- (1)–(13) See § 2.201(b) (1)–(13) of this title.
- (14)–(20) [Reserved]

### Subpart E—Two-Step Formal Advertising

§ 1002.503–1 [Amendment]

In § 1002.503–1 *Step one*, revise paragraph (c) to read as follows, and delete present paragraph (d):

(c) and (d) See § 2.503–1 (c) and (d) of this title.

(Sec. 8012, 70A Stat.; 10 U.S.C. 8012. Interpret or apply secs. 2301–2314, 70A Stat. 127–133; U.S.C. 2301–2314)

## PART 1003—PROCUREMENT BY NEGOTIATION

### Subpart A—Use of Negotiation

1. Revise § 1003.101–50(c) as follows:

§ 1003.101–50 Requests for proposals (RFPs).

(c) Where the value of the competitive procurement is estimated to exceed \$2,500 and is for:

(1) Replenishment spare parts where solicitation is to be made to the prime contractor and/or known sources which have satisfactorily furnished the item(s) to be procured, the contracting officer may allow less than 30 days (i.e., what is reasonable for that particular procurement) for submission of proposals;

(2) Requirements which do not meet the criteria of subparagraph (1) of this paragraph, a minimum time of 30 days will normally be allowed for submission of proposals. When a period of less than 30 days is to be allowed, written authorization will be obtained by the contracting officer from the director or deputy director of procurement and production at AFLC activities, directors or deputy directors of procurement (or comparable level) at AFSC activities and OAR, or the chief or deputy chief of base procurement officers. The contract file will be documented accordingly.

2. Revise § 1003.101–51 to read as follows:

§ 1003.101–51 Verification of the requirement.

During the course of negotiation, the contracting officer will verify the requirement with the initiating office to insure that only required supplies or services are procured. This is particularly important in those circumstances where negotiations have been prolonged, or the description of the item or delivery schedule is changed in negotiation. In every case, the contracting officer will again

verify the requirement within 20 days prior to final execution of the contract for the Government and will document the record accordingly.

### Subpart B—Circumstances Permitting Negotiation

1. Revise § 1003.209–2 to read as follows:

§ 1003.209–2 Application.

See § 3.209–2 of this title.

§ 1003.210–2 [Amendment]

2. In § 1003.210–2, *Application*, change paragraphs (n) to (p) to read:

(n) to (p) See § 3.210–2 (n) to (p) of this title.

3. Revise § 1003.210–3 to read as follows:

§ 1003.210–3 Limitation.

Determinations and findings will set forth the particular reasons why competition by formal advertising is impracticable, and will be approved as provided in § 1003.306(b). With respect to procurements exceeding \$10,000 to be negotiated under the provisions of § 3.210–2 (m) and (o) of this title and § 1003.210–2 (m), determinations and findings will be approved as provided in § 1003.306(b) (5).

§ 1003.217–2 [Amendment]

4. Delete paragraph (e) of § 1003.217–2.

### Subpart C—Determinations and Findings

§§ 1003.301; 1003.303 [Amendment]

1. In § 1003.301 delete the last sentence; in § 1003.303 amend the heading to read: "Determinations and findings by the head of a procuring activity."

2. Revise § 1003.306 to read as follows:

§ 1003.306 Procedure with respect to determinations and findings.

(a) *Contracting officer's determinations and findings; negotiated contracts.* There is no approved format for individual determinations and findings with respect to the negotiation of contracts under the authority of § 3.202 of this title but those set forth for the Secretarial determinations and findings may be used as a guide.

(b) *Approval of determinations and findings under §§ 3.202 and 3.210 of this title and §§ 1003.202 and 1003.210; negotiated contracts.* Determinations and findings under §§ 3.202 and 3.210 (except § 3.210–2(m) for procurements exceeding \$50,000) requires contracting officer's signature and will be subject to the following written approvals.

(1) AMC centers.

(i) Branch chiefs or their deputies—procurements initially estimated to be in excess of \$10,000 but not in excess of \$50,000.

(ii) Division chiefs (WSPOs, ESPOs, or comparable level) or their deputies—procurements initially estimated to be in excess of \$50,000.

(2) AMC field procurement activities (other than centers).

(i) Chiefs or deputy chiefs of divisions—procurements initially estimated

to be in excess of \$10,000 but not in excess of \$50,000.

(ii) Directors or deputy directors of procurement and production procurements initially estimated to be in excess of \$50,000.

(3) Hq ARDC and ARDC centers and divisions.

(i) Chief or deputy chief of buying divisions—procurements initially estimated to be in excess of \$10,000 but not in excess of \$50,000.

(ii) Director or deputy director of procurement—procurements initially estimated to be in excess of \$50,000.

(4) Purchasing activities other than those stated in subparagraphs (1), (2), and (3) of this paragraph: Chief or deputy chief of the purchasing office—procurements initially estimated to be in excess of \$10,000.

(5) Determinations and findings for procurements exceeding \$50,000 to be negotiated under the provisions of § 3.210–2(m) of this title and § 1003.210–2(m) will be approved by the Director, Deputy Directors, or assistant to the Director of Procurement and Production, Hq AMC. Such determinations and findings will be prepared and signed by the contracting officer. An original and four carbon copies will be submitted to AMC (MCPC) and will include a copy of the procurement plan, including the number of sources to be solicited, the form to be used in solicitation (e.g., SF 18, DD Form 746, letter request for proposal), and type of contract contemplated. (Where the D and F covers only the procurement of data, the foregoing procedure is waived and D and Fs will be approved according to the applicable provisions of subparagraphs 1 through 4 of this paragraph.)

(c) *Limitation.* No person will exercise the authority re delegated in paragraph (b) of this section if he is the contracting officer in the procurement involved. This limitation does not apply to WSPOs at ASC (or comparable organizations) where the chief of the WSPO is the only contracting officer appointed for such WSPO. In these instances, the determination and finding will indicate that the person executing the determination and finding is both the contracting officer and the chief of the WSPO and no further approval of such determination and finding will be required.

(d) *Procedure for Secretarial determinations and findings.* (1) Determinations and findings authorizing negotiation under 10 U.S.C. 2304(a) (11) and (14) will be prepared and processed as soon as the procurement program becomes reasonably firm, i.e., at least 3 months and preferably, but not more than, 6 months prior to estimated contract placement date. Since, in certain situations, this will require submission of determinations and findings prior to receipt of Purchase Authorizations and Requests, the supporting documentation will recite the total estimated quantities, scope of services, or effort expected to be procured and will set forth the procurement plan and the assumptions on which it is based.

(2) Determinations and findings will be prepared on plain bond paper, undated, and without signature block. An original and 10 copies will be submitted with a letter of transmittal containing complete justification for the determinations and findings.

(3) The letter transmitting a determination and findings to the Secretary is a most important document. In addition to setting forth sufficient facts to satisfy the statutory requirements for negotiation, it should inform the Secretary about the competitive or noncompetitive aspects of the proposed procurement. In cases involving noncompetitive negotiations, it will include an explanation of the background causes that led to the present noncompetitive situation and the actions taken or planned, if any, to eliminate the impediments to competition in the future. It is especially important to highlight those impediments which are beyond the capability of procurement personnel to correct without the active cooperation of other operating or staff agencies. Letter of transmittal will also reference previous determinations and findings, if any, authorizing negotiation for the same item during the past two fiscal years and will state the required contract placement date for the current request.

(4) Letters of transmittal (original and five copies) for 10 U.S.C. 2304(a) (14) determinations and findings will be signed by commander or deputy commander of the initiating activity and for 10 U.S.C. 2304(a) (11) determinations and findings by Director or Deputy Director of Procurement or by Director of Research and Development Contracting. They will be forwarded to Hq USAF (AFSPM-PO-1) through the following channels:

- (i) AFLC activities—AFLC (MCPK).
- (ii) AFSC activities—AFSC (SCMK).
- (iii) OAR activities—OAR (RRK).
- (iv) Other major commands—AFLC (MCPK).

(e) *Quantitative change in requirements.* Whenever a quantitative increase in the requirement or scope of effort over that recited in the justification for a Secretarial determinations and findings occurs prior to or after the execution of the contract, the following policies will govern:

(1) In determinations and findings authorizing negotiation for research and development, the scope of the effort to be incorporated in the contract will not exceed the scope of effort recited in the original request. However, minor modifications within the stated scope of the work occurring prior to execution of contract are authorized.

(2) Secretarial determinations and findings authorizing negotiation under 10 U.S.C. 2304(a) (14) will be considered to authorize increase in quantities for or configuration changes in items provided the net result does not invalidate the basis for the original determinations and findings nor constitute a basic change in the procurement. In any event, if the aggregate increase in quantities exceeds 50 percent or if

any quantity is to be added to an existing contract after 6 months from the date of the determinations and findings, an amendment to the determinations and findings must be obtained. Such can be obtained by a message to Hq USAF (AFSPM-PO-1) setting forth the new quantity and either a statement that the factors cited to justify the original submission have not altered or a brief explanation of any significant changes in these factors.

(3) If a change in requirements exceeds the authorized limitations, the procurement will not be consummated until a new determinations and findings covering the increase has been obtained according to prescribed procedures.

(f) *Cancellation.* If total requirements are cancelled or if a signed Secretarial determinations and findings is cancelled or not used for any other reason, Hq USAF (AFSPM-PO-1) will be so notified through the same channels prescribed for submission of requests for determinations and findings. This notification will be made immediately after deciding that the determinations and findings will not be needed; and the determinations and findings will be marked "cancelled" and placed, together with a copy of the letter of notification, in the cancelled PR/MIPR case file.

#### Subpart D—Types of Contracts

Revise § 1003.406-3 to read as follows:

##### § 1003.406-3 Contracts with value engineering incentives.

(a) *Description.* Contracts containing value engineering incentives will be identified by adding "V" to the symbol designating the basic pricing provision of the contract: e.g., FPIFV or FPR-CV.

(b) *Applicability.* Many of the contract types described in this Subpart D, when properly negotiated and administered provide the contractor with an incentive for reducing costs. However, under these contract types, this incentive applies only to cost reductions for which the contractor is able to achieve while performing according to existing contractual requirements. The objective of special value engineering incentive provisions is to motivate the contractor to develop and submit cost reduction ideas involving a change in contractual requirements. Value engineering incentive clauses will be used in development, production, and modification procurements in excess of \$100,000 where (1) potentialities exist for significant cost reduction, and (2) governing specifications are such that engineering efforts will result in cost reduction ideas which, to be acceptable under the contract, would necessitate issuing a contractual change. For development contracts where governing specifications are not detailed, use paragraph (e) of this section. Whenever a clause according to either paragraph (d) or (e) of this section is omitted from a contract over the dollar limitation set forth in this paragraph, such omission will be justified in writing by the contracting officer and approved specifically by the official manually approving the contract, if manual approval is otherwise required.

(c) *Limitations.* Use of value engineering incentive provisions, providing the clauses in § 1007.4064 of this chapter and paragraph (e) of this section are used, are approved by the Commanders, AFSC and AFLC. A blanket deviation to § 3.407-3(c) of this title has been granted the Air Force. Use of value engineering clauses other than those in this subchapter requires the prior written approval of Hq AFSC (ASXKF), Wright-Patterson AFB, Ohio, or Hq AFLC (MCPK), as appropriate. Requests will describe the procurement, in the proposed clause, and explain why authorized clauses are not appropriate.

(d) *Contract clauses.* (1) If, according to paragraph (b) of this section, a value engineering incentive is to be included in a FFP contract (negotiated or advertised), or a FPIF contract, the clause in § 1007.4064 of this chapter should be used.

(2) If, according to paragraph (b) of this section, a value engineering incentive is to be included in a contract type other than the FFP or FPIF, a clause should be used which provides:

(i) That it applies to any proposal for deviation from contractual specifications which, to be accepted under the contract, would necessitate issuing a contractual change, and which reduces the cost of performing the contract without degrading operational functions; e.g., performance, reliability, or maintainability of the item for governmental purposes.

(ii) For the submission of applicable proposals in the same manner and form as prescribed for any other proposal which would likewise necessitate a change in contractual requirements.

(iii) The manner in which the price, target, or fee will be adjusted if applicable proposals are accepted by the Government and incorporated into the contract. In no event will contractor sharing exceed 50 percent of the estimated savings, nor in the case of cost reimbursement contracts, administrative or statutory limits on fee, including other contract incentives.

(iv) That the Government does not have to accept any applicable proposal submitted by the contractor, and that nonacceptance will not be a cause for dispute under the "Disputes" clause of the contract.

(e) *Value engineering in development contracts.* Value engineering is often of particular importance in development contracts because of its potential for minimizing the cost of prototype and follow-on quantities of the item being developed. In development programs, the nature of the procurement situation often precludes awarding a fixed-price contract type which provides the contractor with a significant incentive for cost reduction. A special value engineering incentive also may be inappropriate because specifications are not detailed and the application of value engineering techniques is not likely to result in requirements for contract changes. In many of these procurements, especially where the estimated dollar value is in excess of \$500,000, it is in the Government's best interest to incorporate a contractual provision specifi-

cally requiring the contractor to engage in value engineering efforts, of a specified nature and extent. Such a provision will be negotiated by the PCO with the advice and cooperation of the cognizant ACO, and pricing and engineering specialists. Provision will set forth the manner in which the contractor is to carry out the required value engineering effort, and how such effort will be recognized contractually. Following is a sample clause which is authorized for use in such a development contract:

**REQUIRED VALUE ENGINEERING (APR. 1962)**

The Contractor shall, during the life of this contract, establish and maintain an active value engineering program. A value engineering program is defined as a continuing and intensive appraisal of all elements influencing the cost of Air Force materiel and the elimination of those factors which contribute to an item's costs but are not necessary for required functional performance and other aspects of quality assurance. In the performance of the value engineering program, the Contractor, and to the extent practicable, his subcontractors, shall have in their normal employ full-time engineering and other personnel, the number of whom shall be subject to the approval of the Contracting Officer, specifically designated for this field of activity. These personnel will devote their time and effort to those elements of end item design (including materiel), manufacturing processes and tool design which offer the greatest potential for (1) minimizing the cost of the item for initial prototype quantities, and (2) reducing the cost of potential follow-on quantities. Throughout the life of this value engineering program the Contractor will maintain detailed documentation of achievements which will be subject to review by the Contracting Officer or his representative to assure the value engineering being performed is in accordance with the intent cited herein. In the event the value engineering program required hereunder should result in Contractor development of a proposal involving a change in contractual requirements, and such proposal is acceptable to the Government, the parties agree that there will be no reduction in fee by reason of the incorporation of the proposal into the contract.

**Subpart F—Small Purchases**

**§ 1003.601 [Deletion]**

1. Delete § 1003.601.
2. Add § 1003.602 as follows:

**§ 1003.602 Policy.**

- (a) See § 3.602(a) of this title.
- (b) With respect to supplies or services required to be procured according to Part 5 of this title, small purchase procedures may be used to effect these purchases from mandatory sources if authorized by the mandatory contracts or concurred in by the contractor or mandatory source of supply.
- (c) See § 3.602(c) of this title.
- (d) At the discretion of the contracting officer or cash purchasing officer, quantities in excess of those requisitioned by the using activity may be procured if the standard unit pack of such item can be purchased more economically than the exact quantity requested. The full unit pack will be accepted by the requisitioning activity.
- (e) Administrative requirements not contained in Subchapter A, Chapter I of this title or this subpart for additional

copies or wider distribution of small purchase documents or the addition of certificates regarding the use or purpose of items being purchased, or the maintenance of records or administrative controls in the procurement office, required for accounting or other purposes, will not be observed by contracting officers.

3. Revise §§ 1003.604 and 1003.604-1 to read as follows:

**§ 1003.604 Imprest funds (petty cash) method.**

For the purpose of this section, the following definitions will apply:

- (a) *Base Commander.* The officer, or in his absence his deputy, who has command over an installation having a comptroller activity and who is responsible to higher authority for the execution of the mission of the installation.
- (b) *Cash purchasing officer.* Any qualified person who has been appointed cash purchasing officer by the base commander.
- (c) *Comptroller activity.* This term includes the accounting and disbursing agent or the accounting and finance officer.
- (d) *Subvoucher.* A receipt for authorized goods or services purchased and payments made (AF Form 385).

**§ 1003.604-1 Conditions for use.**

See § 3.604-1 of this title.

- (a) Purchases for each activity, i.e., civil engineer or base supply, will be considered separate transactions if based upon separate Purchase Requests or other authorized requisition forms used as purchase requests. Requirements aggregating more than \$100 will not be broken down into several purchases amounting to less than \$100 for the purpose of using imprest funds.

(b) to (d) See § 3.604-1 (b) to (d) of this title.

- (e) A cash purchasing officer has been appointed, is bonded, and has been intrusted with funds.

(f) The supplies or services to be procured are authorized for purchase by existing regulations or directives.

- (g) The signature of the vendor or his agent can be obtained for each transaction over \$3. Purchases authorized in § 1003.604-4(a) (7) are exempt from this condition.

(h) The cost of the item is considered reasonable.

- (i) No additional action following payment for the supplies or services and the signing of the receipt by the vendor is required to complete the procurement. Assigning a defense order rating or execution of a hand receipt by the vendor for equipment delivered to him for repair are not considered "additional action."

(j) Funds have been made available or, if funds have not been committed for the petty cash fund, the fund allotment to be charged is available from an obligation authority in the procurement office or has been cited and certified on the purchase request.

- (k) Imprest funds will not be used to pay for personal services, to pay intercity transportation charges on bills of

common carriers, to cash checks or other negotiable instruments, or for any other payment that is not for authorized small purchases contemplated by these instructions. The fee paid to a post office for a c.o.d. payment is not considered purchasing a negotiable instrument even though the post office may use a money order to pay the vendor.

- (l) Imprest funds intrusted to a cash purchasing officer in a procurement office will not be used to accomplish purchases from vendors who hold blanket purchase agreements with the same procurement office.

**§ 1003.604-2 [Deletion]**

4. Delete § 1003.604-2.

5. Add § 1003.604-3 as follows:

**§ 1003.604-3 Cash discounts.**

See § 3.604-3 of this title.

6. Revise § 1003.604-4 as follows:

**§ 1003.604-4 Delivery of cash purchases by suppliers.**

- (a) Purchases will be made by c.o.d. petty cash in preference to issuance of separate purchase orders on DD Form 1155, "Order for Supplies or Services." The following criteria applies to all c.o.d. purchases from local or out of town vendors:

(1) The total cost of each purchase, including delivery and c.o.d. charges must be \$100 or less.

(2) Delivery can be made within 10 days from date supplies are ordered.

(3) When ordering supplies from out of town sources, prices must be solicited on the basis of net prices, f.o.b. source, including parcel post, mail and c.o.d. fees payable at destination. Government bill of lading will not be used. All c.o.d. orders from out of town sources must be shipped by parcel post or mail. Petty cash will not be used for payment of intercity transportation services performed by common carriers. Local cartage or drayage charges may be paid by adding the charges to the cost of the items purchased or by entering as a separate item on the same receipt.

(4) Instructions to the vendor may be verbal or written.

(5) Sufficient cash must be reserved for each outstanding c.o.d. purchase.

(6) The carrier will sign the AF Form 385 for the total cash received, or the signed original c.o.d. receipt may be attached to the AF Form 385.

(7) When a receipt cannot be obtained, cash purchasing officers located in foreign countries are authorized to use the c.o.d. procedure for purchases up to \$100 by: Certifying on the AF Form 385 that the parcel was "Delivered by \_\_\_\_\_ (name of post office or carrier), no receipt given"; and the c.o.d. label is removed from the parcel and affixed to the AF Form 385 furnished to the comptroller activity in support of the reimbursement voucher.

(b) Orders placed c.o.d. but received prepaid: When a vendor erroneously ships an order prepaid, a confirming purchase order will be issued instructing the vendor to submit an invoice for payment by check. Decentralized cash purchasing officers will process the purchase request involving the confirming action

through the accountable supply officer to the base procurement office at the support base for the issuance of the confirming purchase order.

(c) Disposition of c.o.d. orders at time of transfer and/or termination of cash purchasing officers: Outstanding c.o.d. orders will be disposed of in the following order of preference:

(1) Reviewed and accepted by the successor cash purchasing officer or by a cash purchasing officer assigned to a base procurement office for subsequent payment. New receipt numbers will be assigned to each AF Form 385 if necessary. Sufficient cash will be reserved in the fund of the successor cash purchasing officer to cover all outstanding c.o.d. orders accepted.

(2) Orders unacceptable to the successor cash purchasing officer will be referred to the base commander for approval in writing. If approved, the receipt may be accepted by the successor cash purchasing officer and paid. If disapproved, the order will be cancelled with the vendor.

(3) All orders which cannot be assumed by another cash purchasing officer because of insufficient funds or other reasons, will be referred to the base procurement officer (through the accountable supply officer, if necessary) of the support base for issuance of a confirming purchase order or cancellation.

7. In § 1003.606-2, revise paragraph (a) to read as follows:

§ 1003.606-2 Establishment of blanket purchase agreement.

(a) BPAs under \$2,500 will not require the reference to individual requests over \$2,500.

#### Subpart H—Price Negotiation Policies and Techniques

##### § 1003.812-4 [Amendment]

To § 1003.812-4 add the following: "See § 3.812-4 of this title."

#### Subpart I—Subcontracting Policies and Procedures

1. Revise § 1003.903-3 to read as follows:

##### § 1003.903-3 Approval of purchasing system.

(a) While the approval of the system is the responsibility of the ACO, the purchase methods analyst (PMA) is responsible for "Purchase System Review," continual surveillance and the "Annual Surveillance Report."

(1) to (3) See § 3.903-3(a) (1) to (3) of this title.

(4) See Subparts G and H, Part 1 of this title and Subparts G and H, Part 1001 of this chapter regarding DOD and AF policy respecting subcontracting with small business and labor surplus concerns. The PMA in his continual surveillance of the contractor's purchasing system will secure technical guidance and information from the cognizant AF small business specialist when making the appraisal as to the effectiveness of the contractor's practices. The purchase methods analysts will advise the

cognizant AF small business specialist when a "Purchase System Review" or "Annual Surveillance Report" is to be made and request the AF small business specialist, during the time of the review to examine in the contractor's plant the practices of the contractor in the Small Business Program (see paragraph (d) of this section). The findings and conclusions of the AF small business specialist will be incorporated in the report. A contractor's purchasing system will not be approved that does not meet objectives of the Small Business Program. The Contract Management Region Purchase Methods Evaluation Panel during their evaluation of purchasing systems according to paragraph (d) of this section will determine whether small business concerns have been afforded an equitable opportunity to compete for subcontracts within their capabilities (see § 1.707 of this title and § 1001.707 of this chapter).

(5) Where the relationship or working arrangements between the contractor and subcontractor, or subcontractor and his supplier, are such as may deter arm's-length bargaining, the contracting officer will insure that the Government's interest is protected before approving the subcontract or purchase order. (See also § 15.205-22(e) of this title.)

(6) and (7) See § 3.903-3(a) (6) and (7) of this title.

(b) Reliance upon the contractor's purchasing system where it has been determined to be efficient is preferable to checking and approving individual subcontracts.

(c) Approval of a contractor's purchasing system must be based upon its conforming to sound industrial procurement standards and incorporation of pertinent AF purchasing principles.

(d) After approval of a contractor's purchasing system there will be a resumé (Annual Surveillance Report) of each purchasing system each year by a purchase methods analyst. The "Annual Surveillance Report" comments and recommendations will be submitted to the Contract Management Region Purchase Methods Evaluation Panel, to be used in determining the continued adequacy of the contractor's purchasing system. All pertinent information and accepted recommendations will be forwarded to the ACO for necessary action. The PMA has the responsibility to make continual surveillance and maintain the forms set forth in AFSCM 70-3 for each AF contractor in the "Contractor Procurement Review Program" regardless of approval or nonapproval of such systems as follows:

(1) Specific surveillance techniques evaluation of purchasing system.

(i) Continuing review, with recorded comments, will be made on the policies, procedures, methods, and controls that are used in the various procurement areas.

(ii) Detailed individual case study will be made to certify that the systematic procedures and methods are followed. This should be accomplished: (a) By inspection of records, (b) by tactful discussions with personnel of the contractor's organization including the con-

tractor's purchasing department, and (c) through careful and constant observations.

(iii) Reviews will be conducted and statistical analyses made as to effectiveness of the bidding process, use of cost analysis, size of order placed, type of contract used, reasons for making the award, and such other items as are pertinent.

(iv) See § 3.903-3(e) of this title and paragraph (e) of this section.

(v) Detailed selective investigation and special surveillance will be made on the basis specified by the ACO. Where subcontracts involve considerable sums and are for items for which there is no previous cost experience, they will be included in the review.

(2) The AFPR and chief of the AF contract management district (AFCMD) have administrative responsibility to assure that there is continual surveillance and sufficient data is maintained to determine whether the contractor is following the procurement procedures that were approved. Guidelines for continual surveillance are found in AFSCM 70-3, "Contractor Procurement Review Manual," and Subparts H and I, Part 3 of this title and Subparts H and I of this part. The contractor will not be required to establish any new reports to satisfy the requirements of any form used in continual surveillance.

(e) Where other government personnel have performed checks, maximum use will be made of such reports thus avoiding duplication of effort. Also where the contractor's internal administrative controls assure reasonable system compliance, such controls will be used.

(f) See § 3.903-3(f) of this title.

##### § 1003.903-50 [Amendment]

2. In § 1003.903-50, *Consent to subcontracts*, paragraph (f) is rescinded and paragraph (g) is redesignated paragraph (f).

(Sec. 8012, 70A Stat. 488; 10 U.S.C. 8012. Interpret or apply secs. 2301-2314, 70A Stat. 127-133; 10 U.S.C. 2301-2314)

## PART 1007—CONTRACT CLAUSES

### Subpart Z—Clauses for Open Contracts for Equipment and Services

Revise § 1007.2604 to read as follows:

#### § 1007.2604 Clauses to be used when applicable.

See § 7.104 of this title, and §§ 1007.104 and 1009.203-2(d) of this chapter.

### Subpart KK—Clauses and Arrangements for Negotiated Utility Service Contracts

Subpart KK is deleted.

### Subpart NN—Special Clauses

1. Revise §§ 1007.4014 and 1007.4064 to read as follows:

#### § 1007.4014 Certificate of conformance.

The following clause will be incorporated in all central procurement supply contracts according to § 1014.204-50 of this chapter and § 14.202 of this title.

Clause may be incorporated into base procurement contracts according to § 1014.204-51 of this chapter provided the first lines are revised to read: "The supplies or services to be furnished hereunder shall be accepted." When the clause is incorporated into the contract utilizing DD Form 1155, either central or base procurement, the portion of paragraph (b) of the clause inclosed in brackets will be omitted. Omission of the bracketed portion is required because the DD Form 1155 does not include either of the contract clauses mentioned therein. When this clause is incorporated into a base procurement contract, the Certificate of Conformance will be attached to it or entered on the invoice. When the clause is incorporated into a central procurement contract utilizing DD Form 1155 using the DD Form 250, "Material Inspection and Receiving Report," the Certificate will be attached to or entered on the DD Form 250. The applicable portions inclosed in brackets in paragraph (a) of the clause will be incorporated into the contract.

#### CERTIFICATE OF CONFORMANCE (AUG. 1961)

(a) At the option of the Government, any of the supplies or services to be furnished f.o.b. origin hereunder may be accepted without prior government inspection upon receipt of a Certificate of Conformance of the contractor attached to [an invoice (for base procurement)] [or to DD Form 250 (for central procurement)] for supplies or services reading substantially as follows:

I hereby certify that I did, on the \_\_\_\_\_ (Date)  
of \_\_\_\_\_ 19\_\_ ship via \_\_\_\_\_  
(Month) (Name of carrier)  
on \_\_\_\_\_ in ac-  
(Bill of lading No., receipt, etc.)

cordance with shipping instructions issued by the contracting officer, the supplies called for by contract number (insert contract No.) \_\_\_\_\_; that such supplies were in the quantities and the quality called for, and were in all respects in accord with the applicable specifications) or (complete the services called for by Contract Number (insert contract No.) \_\_\_\_\_, item \_\_\_\_\_; that such services were in the quantity and of the quality called for, and were in all respects in accord with applicable specifications). This statement is furnished to support payment of the attached invoice.

(b) Notwithstanding any provisions of the certificate above referred to [and notwithstanding the provisions of paragraph (c) of clause hereof entitled "Inspection" or "Inspection of Supplies and Correction of Defects" as the case may be], the liability of the Contractor with respect to supplies accepted by the Government under the provisions of paragraph (a) above will, after inspection by the Government or after the expiration of a reasonable time following delivery to the Government within which inspection may be made, whichever occurs first, be limited (except as to supplies rejected upon such inspection) to liability for latent defects, fraud, or such gross mistakes as amount to fraud.

#### § 1007.4064 Value engineering incentive (FFP and FPIF contracts).

The following value engineering incentive clause will be inserted in FFP (advertised and negotiated) and FPIF contracts when appropriate (see § 1003.406-3(b) of this chapter):

#### VALUE ENGINEERING INCENTIVE (APR. 1962)

(a) This clause applies to any proposal initiated and developed by the Contractor for

variation from contractual requirements which, to be acceptable under the contract, would necessitate issuance of a contractual change, and which reduces the cost of performing the contract, without degrading operational functions; e.g., performance, reliability, or maintainability of the item. Such proposals will be submitted to the Government in the same form as prescribed for any other proposal which would likewise necessitate a change in contractual requirements, but will include a statement that they are subject to the operation of this clause. The Government shall not be obligated to accept such proposals and nonacceptance shall not be a cause for dispute under the "Disputes" clause of the contract.

In FFP contracts, insert the following paragraph (b):

(b) As an incentive for the Contractor to submit proposals, as described in paragraph (a) above, during the life of this contract, the parties agree that if the Government accepts and incorporates any such proposal into the contract, the contract price shall be reduced by an amount equal to (1) percent of the amount agreed to be the estimated reduction in cost that will result from incorporation of the proposal into the contract.

<sup>1</sup> Not less than 50 percent.

In FPIF contracts, insert one of the following paragraphs (b):

(b) As an incentive for the Contractor to submit proposals, as described in (a) above, during the life of this contract, the parties agree that if the Government accepts and incorporates any such proposal into the contract, the contract price shall be adjusted as follows:

(i) The target cost will be reduced by the full amount agreed to be the estimated reduction in cost that will result from incorporation of the proposal into the contract.

(ii) The target profit will be increased by an amount equal to (1) percent of the amount by which the target cost was reduced pursuant to (i) above. Profit increases resulting from the operation of this clause shall not be considered within the limitation on profit, if any, appearing in the "incentive price revision" clause of this contract.

<sup>1</sup> Not to exceed 50 percent.

or

(b) As an incentive for the Contractor to submit proposals as described in (a) above, during the life of this contract, the parties agree that if any such proposal is accepted by the Government, neither the target cost nor the target profit will be reduced by reason of the incorporation of the proposal into the contract.

#### Subpart QQ—Clauses for Fixed-Price Architectural Engineering Service Contracts

##### § 1007.4301 [Amendment]

1. In § 1007.4301, change "AFR 93-13 (Procedure for Negotiations of Architect-Engineer Fixed Price Contract)" to read: "AFR 85-8 (Selecting Architect-Engineers for Professional Services by Negotiated Contracts)."

2. Delete §§ 1007.4303-17, 1007.4303-19 and 1007.4303-20, and insert the following:

##### § 1007.4303-16 Data.

See § 9.203-1 of this title.

##### § 1007.4303-17 Release of information.

#### RELEASE OF INFORMATION (MAR. 1957)

The Contractor agrees not to divulge or release any information developed or obtained in connection with performance of this contract concerning the details of performance of this contract or any possible construction based on the results thereof (including but not limited to plans, specifications, location, time or estimated cost of construction), except to authorized Government personnel or upon the prior written approval of the Contracting Officer.

##### § 1007.4303-18 Approval of contract.

See § 7.105-2 of this title.

##### § 1007.4304-2 [Amendment]

3. In § 1007.4304-2 *Reports*, amend the last sentence of the introductory material to read: "One copy of the report will be forwarded to the Major Air Command."

4. Revise § 1007.4304-3 to read as follows:

##### § 1007.4304-3 Preparation of specifications.

Insert the following clause in all contracts calling for furnishing specifications by the contractor.

#### PREPARATION OF SPECIFICATIONS (APR. 1962)

The Contractor shall make reference to applicable Federal specifications, if available, for items and materials to be used. If Federal specifications are not available, the Contractor shall reference specifications prepared by recognized professional manufacturer or construction societies, or furnish descriptions of the items or materials containing all the fundamental properties and all the essential requirements to be met by the items or materials. When an item or material cannot be described because of its technical construction or composition or because it is a proprietary item, the name of one, and if available, several, suitable commercial products shall be included as part of the required description, followed by the words "or equal." If it is determined that one and only one brand of item or material will meet the requirement, the Contractor shall so state and shall give full justification for that determination. Specifications will not duplicate, contradict or cover the same subject matter contained in the general and special provisions to be used with the construction contract. A complete set of construction contract general and special provisions will be furnished to the contractor by the Contracting Officer.

#### Subpart RR—Clauses for Teacher Contracts

Subpart RR is revised to read as follows:

| Sec.        | Scope of subpart.                              |
|-------------|------------------------------------------------|
| 1007.4400   | Authority.                                     |
| 1007.4401   | Definition.                                    |
| 1007.4402   | Required clauses.                              |
| 1007.4403   | Definitions.                                   |
| 1007.4403-1 | Assignment of claims.                          |
| 1007.4403-2 | Disputes.                                      |
| 1007.4403-3 | Officials not to benefit.                      |
| 1007.4403-4 | Covenant against contingent fees.              |
| 1007.4403-5 | Termination for convenience of the Government. |
| 1007.4403-6 | Subcontracts.                                  |
| 1007.4403-7 | Change in rate of pay.                         |
| 1007.4403-8 | Clauses to be used when applicable.            |
| 1007.4404   | Alterations in contract.                       |

## RULES AND REGULATIONS

|             |                                                                   |
|-------------|-------------------------------------------------------------------|
| Sec.        |                                                                   |
| 1007.4405   | Required schedule clauses for contracts with full-time teachers.  |
| 1007.4405-1 | Part I—Statement of services.                                     |
| 1007.4405-2 | Part II—Period of performance.                                    |
| 1007.4405-3 | Part III—Leave of absence.                                        |
| 1007.4405-4 | Part IV—Consideration and payment.                                |
| 1007.4405-5 | Part V—Qualifications.                                            |
| 1007.4405-6 | Part VI—Renewal.                                                  |
| 1007.4406   | Required schedule clauses for contracts with substitute teachers. |
| 1007.4406-1 | Part I—Statement of services.                                     |
| 1007.4406-2 | Part II—Period of performance.                                    |
| 1007.4406-3 | Part III—Consideration and payment.                               |
| 1007.4406-4 | Part IV—Qualifications.                                           |
| 1007.4407   | Required schedule clauses for contracts with principals.          |
| 1007.4407-1 | Part I—Statement of services.                                     |
| 1007.4407-2 | Part II—Period of performance.                                    |
| 1007.4407-3 | Part III—Leave of absence.                                        |
| 1007.4407-4 | Part IV—Consideration and payment.                                |
| 1007.4407-5 | Qualifications.                                                   |
| 1007.4407-6 | Part VI—Renewal.                                                  |

AUTHORITY: §§ 1007.4400 to 1007.4407-6 issued under sec. 8012, 70A Stat. 488; 10 U.S.C. 8012. Interpret or apply secs. 2301-2314, 70A Stat. 127-133; 10 U.S.C. 2301-2314.

#### § 1007.4400 Scope of subpart.

This subpart sets forth the clauses for use in personal service contracts with teachers, substitute teachers, and principals for Air Force-operated dependents' schools in the United States and Puerto Rico. The requirements for this type of contract will be initiated according to AFL 34-26 (Initiating Contractual Requirements for Certain AF-Operated Dependents' Schools).

#### § 1007.4401 Authority.

The authority for this type of service is set forth in section 6 of Public Law 874 (81st Congress) as amended. Each contract will cite that statute as well as 10 U.S.C. 2304(a)(4). No findings and determinations are required for contracts of this type.

#### § 1007.4402 Definition.

The term "teacher contract" means a contract made with a teacher, a substitute teacher, or a principal for Air Force-operated dependents' schools pursuant to section 6 of Public Law 874 (81st Congress) as amended.

#### § 1007.4403 Required clauses.

The following clauses will be inserted in all contracts for teachers.

##### § 1007.4403-1 Definitions.

See § 7.103-1 of this title, omitting paragraph (c).

##### § 1007.4403-2 Assignment of claims.

See § 7.503-3 of this title.

##### § 1007.4403-3 Disputes.

See § 7.103-12 of this title.

##### § 1007.4403-4 Officials not to benefit.

See § 7.103-19 of this title, omitting the final clause which begins, "but this provision \* \* \*"

##### § 1007.4403-5 Covenant against contingent fees.

See § 7.103-20 of this title.

#### § 1007.4403-6 Termination for convenience of the Government.

See § 1008.750 of this chapter.

#### § 1007.4403-7 Subcontracts.

See § 1007.503-50.

#### § 1007.4403-8 Change in rate of pay.

##### CHANGE IN RATE OF PAY (OCT. 1957)

The rate of pay for services herein provided is comparable to the rate of pay for similar services paid by nearby school districts of the State in which this contract is to be performed. In the event such nearby districts increase or decrease the rate of pay for such services during the period of this contract, the rate of pay for this contract may be proportionately adjusted and the contract amended accordingly. No such adjustment shall be made unless and until the cognizant Area Field Representative of the U.S. Office of Education certifies to the justification of such change in the comparable rates of pay. Any adjustment hereunder shall be evidenced by a supplemental agreement to this contract.

#### § 1007.4404 Clauses to be used when applicable.

##### § 1007.4404-1 Alterations in contract.

According to instructions for use in § 1007.105-1, insert the clause in § 7.105-1 of this title.

#### § 1007.4405 Required schedule clauses for contracts with full-time teachers.

The schedule for contracts with teachers will contain the following provisions to be completed with appropriate information.

##### § 1007.4405-1 Part I—Statement of services.

##### PART I—STATEMENT OF SERVICES (OCT. 1957)

The Contractor shall teach elementary school at the \_\_\_\_\_ Air Force Base on regular school days at such hours as the school principal shall designate. Performance by the Contractor shall be in accordance with the direction of the school principal, and include the teaching of such subjects as may be prescribed, the keeping of required records, and such other curricular and extra curricular duties as are customarily performed by an elementary school teacher.

##### § 1007.4405-2 Part II—Period of performance.

##### PART II—PERIOD OF PERFORMANCE (OCT. 1957)

Performance of services shall commence on the \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_ and continue until the \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_. In the event the school is closed temporarily on account of an epidemic or for any other necessary cause the period of performance may be extended by the principal to make up for such lost time, and no additional payment shall be made for such make-up period.

##### § 1007.4405-3 Part III—Leave of absence.

##### PART III—LEAVE OF ABSENCE (OCT. 1957)

The Contractor will be allowed leave, when sick, with pay for not exceeding \_\_\_\_ days. If required by the principal, the Contractor shall furnish a doctor's certificate of illness when sick for three or more consecutive school days. When approved by the principal the Contractor will be granted leave with pay for not exceeding \_\_\_\_ days for reasons of death or critical illness of a member of the Contractor's immediate family.

#### § 1007.4405-4 Part IV—Consideration and payment.

The second sentence of the following clause will be modified, as indicated, to conform to local practices.

##### PART IV—CONSIDERATION AND PAYMENT (MAR. 1962)

The Government will pay the Contractor upon satisfactory performance of the above described services the sum of \$\_\_\_\_\_. Payments will be made (monthly, biweekly, etc.) during the period of performance in the amount of \$\_\_\_\_\_. For each pay period as described above the Contractor shall present to the Contracting Officer an invoice for services rendered. Deductions for Federal income tax and social security contributions, Retirement and Life Insurance and Health Benefits will be made from payments as appropriate; where withholding of payments for purposes of State income taxes is authorized by 5 U.S.C. 84b (1952), deductions for State income taxes will also be made.

#### § 1007.4405-5 Part V—Qualifications.

##### PART V—QUALIFICATIONS (OCT. 1957)

The Contractor warrants that \_\_\_\_\_ is qualified and duly licensed to teach elementary school within the State of \_\_\_\_\_ and affirms \_\_\_\_\_ loyalty to the United States of America.

#### § 1007.4405-6 Part VI—Renewal.

##### PART VI—RENEWAL (OCT. 1957)

In the event the services of the Contractor are desired by the Government for the succeeding school year the Contractor will be so advised on or before the \_\_\_\_ day of \_\_\_\_\_ 19\_\_. It is agreed that such notice will be subject to the availability of funds for the succeeding Government fiscal year for this purpose.

#### § 1007.4406 Required schedule clauses for contracts with substitute teachers.

The schedule for contracts with substitute teachers will contain the following provisions to be completed with appropriate information.

##### § 1007.4406-1 Part I—Statement of services.

##### PART I—STATEMENT OF SERVICES (OCT. 1957)

The Contractor shall teach elementary school at the \_\_\_\_\_ Air Force Base on regular days at such hours and on such days as the school principal shall designate during the period of performance of this contract as set forth in Part II hereof. It is understood and agreed that this is a call contract, that the Contractor is a substitute teacher to perform services in the absence of a regularly employed teacher, and that the Government is not hereby obligated to issue any call for the Contractor's service.

##### § 1007.4406-2 Part II—Period of performance.

##### PART II—PERIOD OF PERFORMANCE (OCT. 1957)

The period during which calls may be made shall begin on the \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_ and end on the \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_. In the event the school is closed temporarily on account of an epidemic, or for any other necessary cause, the period of performance may be extended by the principal to make up for such lost time.

##### § 1007.4406-3 Part III—Consideration and payment.

The second sentence of the following clause will be modified, as indicated, to conform to local practices.

PART III—CONSIDERATION AND PAYMENT  
(JAN. 1962)

The Government will pay the Contractor upon satisfactory performance of the above described services the sum of \$\_\_\_\_\_ for each day worked. Payment will be made [monthly, biweekly, etc.]. For each pay period as described above the Contractor shall present to the Contracting Officer an invoice for any service rendered. Deductions for Federal income tax and social security contributions will be made from payments; where withholding of payments for purposes of state income taxes is authorized by 5 U.S.C. 84b (1952), deductions for state income taxes will also be made.

§ 1007.4406-4 Part IV—Qualifications.  
See § 1007.4405-5.

§ 1007.4407 Required schedule clauses for contracts with principals.

The schedule for contracts employing school principals will contain the following provisions to be completed with appropriate information.

§ 1007.4407-1 Part I—Statement of services.

PART I—STATEMENT OF SERVICES (OCT. 1957)

The Contractor shall act as principal of an elementary school at the \_\_\_\_\_ Air Force Base. Performance by the Contractor shall be in accordance with the direction of the Base Commander, and includes the supervision of the school, the teaching staff thereof, keeping of required records, and such other curricular and extra curricular duties as are customarily performed by an elementary school principal.

§ 1007.4407-2 Part II—Period of performance.

PART II—PERIOD OF PERFORMANCE (OCT. 1957)

Performance of services shall commence on the \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_ and continue until the \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_. In the event the school is closed temporarily on account of an epidemic or for any other necessary cause the period of performance may be extended by the Base Commander to make up for such loss time, and no additional payment shall be made for such make-up period.

§ 1007.4407-3 Part III—Leave of absence.

PART III—LEAVE OF ABSENCE (OCT. 1957)

The Contractor will be allowed leave when sick, with pay for not exceeding \_\_\_\_\_ days. When approved by the Base Commander the Contractor will be granted leave with pay for not exceeding \_\_\_\_\_ days for reasons of death or critical illness of a member of the Contractor's immediate family.

§ 1007.4407-4 Part IV—Consideration and payment.

See § 1007.4405-4.

§ 1007.4407-5 Part V—Qualifications.

PART V—QUALIFICATIONS (OCT. 1957)

The Contractor warrants that \_\_\_\_\_ is qualified and duly licensed to act as principal of an elementary school within the State of \_\_\_\_\_, and affirms \_\_\_\_\_ loyalty to the United States of America.

§ 1007.4407-6 Part VI—Renewal.

See § 1007.4405-6.

No. 128—Pt. I—4

PART 1008—TERMINATION OF CONTRACTS

Subpart B—General Principles Applicable to the Settlement of Fixed-Price Type Contracts Terminated for Convenience and to the Settlement of All Terminated Cost-Reimbursement Type Contracts

In § 1008.202-50, revise paragraph (c) (3) to read as follows:

§ 1008.202-50 Termination of AF contracts.

\* \* \* \* \*

(c) \* \* \*  
(3) Select the source or sources to be terminated when the termination request (AFPI Form 49) does not specify the source and more than one source is producing or developing the end item. When the contract has been selected, the contracting officer will show in "Remarks", Part III of AFPI Form 49, the date the items were procured, or in the event of a call type contract, the date the call was made.

Subpart H—Forms

In § 1008.850, revise paragraph (a) (3) to read as follows:

§ 1008.850 Instructions for completing AFPI Form 49, "Termination Authority."

(a) \* \* \*

(3) Part III, AFPI Form 49, "Remarks." Include any other pertinent information or special instructions. In every instance the contracting officer will show the date the items were procured, or in the event of a call type contract, the date the call was made.

(Sec. 8012, 70A Stat. 488; 10 U.S.C. 8012. Interpret or apply secs. 2301-2314, 70A Stat. 127-133; 10 U.S.C. 2301-2314)

PART 1009—PATENTS, DATA, AND COPYRIGHTS

Subpart A—Patents

Revise § 1009.107-2 to read as follows:

§ 1009.107-2 License rights; domestic contracts.

(a) Exclusion of inventions from the license grant: Pursuant to the provisions of § 9.107-2(a) of this title, the contracting officer will obtain identification of the patent number or patent application serial number of each invention for which exclusion is sought by the contractor and obtain verification of the existence of one or more of the circumstances in § 9.107-2(a) (1) through (4) of this title. Where the invention is identified only by a patent application serial number, a copy of such application and information as to the filing date will be obtained from the contractor. For the purpose of obtaining advice and recommendations, the contracting officer will then forward the contractor's request for exclusion, together with copies of all pertinent material and a full statement of facts, within:

(1) AMC and WADD to AMC (MCJP), Hq AMC.

(2) ARDC, other than WADD, to ARDC (RDJP), Hq ARDC.

(3) AF activities other than AMC and ARDC, to the Chief, Patents Division, Hq USAF.

With respect to the provisions of § 9.107-2(a) (1) of this title, in comparing the contractor's expenditures with the amount of the proposed contract or such portion of the proposed contract amount as can be allocated in advance for the development of such an invention, prior Government expenditures on the development of such invention and the Government contribution to the general research work of the contractor related to the subject matter of the contract shall be taken into consideration. Upon granting a request for exclusion of inventions pursuant to § 9.107-2(a) of this title and this paragraph, a report thereof along with a statement of all pertinent facts will be forwarded to the Chief, Patents Division.

(b) Contract clause: The following paragraphs relate to material required to be furnished by contractors under the provisions of paragraphs (c), (d), (e), and (h) of the Patent Rights clause of § 9.107-2(b) of this title.

(1) All such material will be processed according to the procedure in Subpart K, Part 1011 of this chapter. BOB approval No. 22-R160 authorizes submission of DD Form 882, "Reports of Inventions and Subcontracts," by contractors (see §§ 9.107-2(b) and 16.809 of this title). This clearance also includes authority for obtaining "Invention Disclosure Reports" from contractors pursuant to requirements of paragraph (c) (i) of the clause in § 9.107-2(b) of this title.

(2) In complying with paragraphs (c) and (d) of the Patent Rights clause, if the contractor has had a patentability search made or has otherwise determined that an invention reasonably appears to be patentable, but the contractor decides not to file a patent application thereon, and if the costs of such search or determination are allowed as an item of cost under a Government contract, or such search report or determination will be furnished without specific charge, the contractor will transmit to the contracting officer a copy of such patentability search report or documents supporting such determination when the contractor notifies the contracting officer that the contractor will not file such application. The report or documents will include a copy of all applicable references.

(c) Contract clause for use in Communication Satellite and Space Program Contracts: The Patent Rights (License) Clause (§ 9.107-2(b) of this title) will be modified in:

(1) Existing Advent contracts and other contracts specifically related to communications satellites.

(2) Any future contract having as one of its purposes the performance of research and development under a space program, project, or task, including space

exploration and space communication, as follows:

(i) Delete the effective date of the clause and substitute January 1962.

(ii) (a) Delete paragraph (b) (1) and substitute the following:

The Contractor agrees to and does hereby grant to the Government an irrevocable, nonexclusive, and royalty-free license to practice, and cause to be practiced by or for the United States Government, throughout the world, each Subject Invention in the manufacture, use, and disposition of any article or material, in the use of any method, or in the performance of any service acquired by or for the Government or with funds derived through the Mutual Security Program of the Government or otherwise through the Government. Such license shall be non-transferable except that the Contractor does hereby grant to the Government the right to grant sublicenses to others, under such terms and conditions as may be prescribed, for the practice of any Subject Invention throughout the world in the design, development, manufacture, operation, maintenance and testing of communications satellite systems, and of equipment, components, ground tracking, transmitting and receiving facilities therefor.

(b) In amending existing contracts, if the contractor refuses to accede to deletion of third sentence of paragraph (b) (1), the following will be added as last sentence to (b) (1) above:

Subject to the foregoing, no license granted herein shall convey any right to the Government to manufacture, have manufactured, or use any Subject Invention for the purpose of providing services or supplies to the general public in competition with the Contractor or the Contractor's commercial licensees in the licensed fields; but provided, however, that the restriction of this sentence shall not be applicable in respect to any services or supplies which the Government has heretofore or may hereafter provide as a governmental function pertaining to the general public health, safety, or welfare.

(iii) The fourth sentence of paragraph (g) beginning: "If, within thirty-five (35) days \* \* \*" is modified by deleting the period at the end of said sentence and adding "or to the design, development, manufacture, operation, maintenance, and testing of communications satellite systems, and of equipment, components, ground tracking, transmitting and receiving facilities therefor."

(iv) Add the following sentence at the end of paragraph (g):

The provisions of this paragraph (g), as modified, shall be applicable to subcontracts hereunder in existence at the time of making the modification by which this sentence was added to this clause, as well as to subcontracts made thereafter.

(v) The following revised Patent Rights (License) Clause which is authorized for use at this time in all contracts in which the above clause is required may be used in lieu of the above modification:

(a) Delete paragraph (b) (1) and substitute the following:

(b) (1) The Contractor agrees to and does hereby grant to the Government an irrevocable, nonexclusive, and royalty-free license to practice, and cause to be practiced by or for the United States Government, throughout the world, each Subject Invention in the manufacture, use, and disposition according to law, of any article or material, and in the

use of any method. Such license (1) shall be nontransferable, except that the Government shall have (a) the right to grant sublicenses to any foreign government or international organization, specifically for use in programs established by International Agreements for research, development or production of weapons or equipment for mutual defense and (b) the right to grant sublicenses to others, under such terms and conditions as may be prescribed, for the practice of any Subject Invention throughout the world in the design, development, manufacture, operation, maintenance and testing of communications satellite systems, and of equipment, components, ground tracking, transmitting and receiving facilities therefor, and (ii) shall include the practice of Subject Invention in the manufacture, use and disposition of any article or material, in the use of any methods, or in the performance of any service acquired by or for the Government or with funds derived through the Mutual Security Program of the Government or otherwise through the Government.

(b) Delete paragraph (b) (2) (iii).

(c) Delete paragraph (g) and substitute the following:

The Contractor shall, unless otherwise authorized by the Contracting Officer, include a patent rights clause containing all the provisions of this Patent Rights Clause except provision (f) in any subcontract hereunder of three thousand dollars (\$3,000) or more having experimental, developmental, or research work as one of its purposes. In the event of refusal by a subcontractor to accept such a patent rights clause, the Contractor shall not proceed with the subcontract without the written authorization of the Contracting Officer. Reports, instruments, and other information required to be furnished by a subcontractor to the Contracting Officer under the provisions of such a patent rights clause in a subcontract hereunder may, upon mutual consent of the Contractor and the subcontractor (or by direction of the Contracting Officer), be furnished to the Contractor for transmission to the Contracting Officer.

(vi) In existing contracts add the following:

(a) The provisions of this paragraph (g), as modified, shall be applicable to subcontracts hereunder in existence at the time of making the modification by which this sentence was added to this clause, as well as to subcontracts made thereafter.

(b) Delete paragraph (i) and reletter the present paragraph (j) as (i).

(d) Modifications of existing contracts in accordance with the foregoing will be made effective only with respect to Subject Inventions occurring after the date of the modification, and will be accomplished without monetary consideration. Amendments to existing contracts will recite that the modifications to Patent Rights (License) Clause are in consideration of the acceptance by one or more Government space satellite contractors of like modifications of their existing contracts and other good and valuable consideration.

(e) A monthly progress report, Report Control Symbol DD-I&L(Si) 6169, will be assembled by the procurement contracting officer prior to amendment of existing contracts or execution of future contracts and subsequent to amendment or execution thereof by the administrative contracting officer and forwarded in duplicate to Hq USAF (AFSPM-CP-1) for transmittal to DOD. The report should

reach AFSPM-CP-1 four days before the end of each month as it is due in DOD by the first of the following month. A copy of the report will be sent to AFSC (SCMKP). Format for the report is as follows:

(1) Name of each prime contractor, contract number, date of contract, type of contract (whether R&D, supply, services, etc.), subject matter of contract.

(2) Specific description of any difficulties encountered in modifying any contract.

(3) Contract language used in modifying existing contracts and used in new contracts which are subject to this letter.

(4) Name of each subcontractor under each prime contract, with information corresponding to that requested above for prime contractors.

(5) Total number of existing contracts and subcontracts modified, and total number of existing contracts and subcontracts to be modified.

#### Subpart B—Data and Copyrights

1. In § 1009.202-1, revise paragraph (a) (4) to read as follows:

##### § 1009.202-1 Acquisition of data.

(a) General. \* \* \*

(4) Data pricing, delivery and payment requirements: (i) Whenever there is a requirement by the requiring activity for data, as determined in subparagraph (2) of this paragraph, the IFB or RFP will contain the following:

##### DATA PRICING (Nov. 1961)

(a) Bidders are requested to insert opposite the data items the price of such data or a specific response such as "Not Applicable," "No Charge," "Included in the Price of Items," "Revisions Not Presently Required," etc. If a bidder fails to price or enter a specific response to a data item required to be furnished (excepting revisions for which a price is to be negotiated later) it will be considered that the data is being furnished at no charge.

(b) Under any contract which requires the delivery of data, the accounting and finance office will be advised by the contracting officer to withhold final payment until DD Form 250, "Material Inspection and Receiving Report," is obtained through regular channels indicating that data has been delivered and accepted.

(ii) Under RFPs where the bidder has failed to quote a price for data, the matter shall be negotiated and a separate price, or appropriate specific response, established and included in the contract(s) awarded thereunder, unless the procurement is let as a DD Form 746-2 award.

2. Revise § 1009.203-2 to read as follows:

##### § 1009.203-2 Provision for addition to basic data clause for use in supply contracts.

(a) Purpose of additional provisions. The additional provision (i) in § 9.203-2 of this title is intended to negate statements or requirements appearing in Tables or Specifications included or incorporated in the contract by reference which may call for "proprietary data"; no such data is required unless the Contract Schedule itself specifies that such data is to be furnished and indicates that it is to be furnished notwithstanding that it may be "proprietary data." The special clause as to Rights in Data

in Supply Contracts in § 1009.202-1(b) (1) is intended to supplement, and in no way contradicts, paragraph (i) of § 9.203-2 of this title. This special clause is intended simply to negate any implication that statements as to "intended use" in the Tables or Specifications alter the legal rights obtained by the Government under the particular data provision or provisions of § 9.203 of this title included in any contract or contracts.

(b) *Designation of non-proprietary data in schedule of negotiated supply contracts.* If the Government and the contractor agree that it is desirable to identify in the contract the required data which is not "proprietary data," a contractual provision as follows will be inserted in the Contract Schedule of negotiated supply contracts:

For the purpose of paragraph (i) of clause ----- entitled Data, the Contractor agrees that none of the data required by Items ----- and ----- is "proprietary data", as defined in said paragraph (i).

(c) *Identification of "Proprietary data" in schedule of negotiated supply contracts calling for other than standard commercial items.* (1) If a clear Government need for "proprietary data" is established in such contracts, the following or substantially identical language will be included in the Schedule of the contract for the purpose of identifying such data:

For the purpose of paragraph (i) of clause ----- entitled Data, the data called for by Item(s) ----- and ----- and the data listed at the end of this paragraph, if any, is hereby identified as data required to be furnished under this contract notwithstanding that it is or may be "proprietary data." Such identification is not to be deemed a determination by the Government that such data is "proprietary data."

(2) Data listed at the end of the above clause will be identified in the Schedule of the Contract for the purpose of such paragraph (i) (§ 9.203-2 of this title) by any suitable means, such as a specific reference to individual or groups of drawings, to subject matter of identifiable portions of data, to areas or structural features or processes within certain specific perimeters of description, or by any other method or device acceptable to the contractor and the contracting officer. Such data may be identified by references in the Schedule to Tables or Specifications where appropriate.

(d) *Additional clauses for use in open contracts.* In open contracts (see § 1003.405-50 of this chapter and Subpart X, Part 1007 of this chapter), in addition to the Data Clause of §§ 9.203-1, 9.203-2, and 9.203-3 of this title, the following clause will be inserted:

**PROPRIETARY DATA IN OPEN CONTRACTS**  
(MAR. 1962)

(a) The reference in paragraph (j) of the clause of the General Provisions of this contract entitled "Data" to "Data—identified in the Schedule" shall be deemed to include data identified, as hereinafter provided, in the respective approved production lists, orders, calls and/or instruments of like import, as amended.

(b) In order to establish the proprietary nature of any data the following procedures will apply.

(1) The Contractor shall specify in writing to the Contracting Officer, prior to the submission of a proposed Priced Exhibit, that data specifically identified is claimed to be proprietary, as defined in paragraph (i) of the Clause entitled "Data."

(2) The Contracting Officer shall negotiate with the Contractor, and, to the extent it is agreed such data is proprietary, as defined in such paragraph (i), and if such data is to be acquired subject to limitation on use, the approved Production List shall be amended to identify such data as being subject to the limitation on use of paragraph (j) of the Clause entitled "Data."

(c) The limitation on use which appears in the above referenced paragraph (j) is based upon the assertion by the Contractor that the data identified as proprietary in accordance with the procedure specified in paragraph (b) of this clause is "proprietary data" as defined in paragraph (i) of the above referenced clause entitled "Data." However, if such data is not "proprietary data" as defined in referenced paragraph (i), the limitation on use of such data shall be of no force and effect.

(Sec. 8012, 70A Stat. 488; 10 U.S.C. 8012. Interpret or apply secs. 2301-2314, 70A Stat. 127-133; 10 U.S.C. 2301-2314)

**PART 1011—FEDERAL, STATE AND LOCAL TAXES**

**Subpart B—Exemptions From Federal Excise Taxes**

**§ 1011.205 [Amendment]**

In § 1011.205 *Tax exemption forms:*  
a. Following paragraph (a)(1), in the parenthetical material in the Exemption Certificate, "sec. 4222" should read "sec. 4221."

b. In paragraph (b), line 6, "designated" should be "designate."

**Subpart C—State and Local Taxes**

Add § 1011.351 as follows:

**§ 1011.351 Michigan sales and use tax; construction contracts.**

(a) *Scope:* The provisions of this section relate to construction contracts of the Air Force which are performed in whole or part in Michigan.

(b) *Instructions to Michigan contractors:* An agreement with state authorities administering this tax has been reached pending final resolution of the legality of this tax by test litigation requires a change to previous instructions. The following instructions and procedures will be furnished by the contracting officer to each contractor performing military construction contracts in excess of \$10,000 in Michigan if such tax is included in prices or will be passed on in whole or in part directly or indirectly to the Federal Government as an allowable item of cost, reimbursement, or price escalation under a contract administered by the Air Force.

(1) Each such military contractor will not pay the Michigan sales and use tax on materials incorporated in, or consumed in the performance of construction, and will exclude from its invoices submitted to the Federal Government all amounts of such tax.

(2) A record will be maintained of the tax excluded and each invoice will note the exclusion of the Michigan sales and use tax.

(c) Contractors performing in Michigan on AF construction contracts in excess of \$10,000 will also be instructed according to the agreement with state taxing authorities as follows:

(1) The prime contractor must be registered as a consumer under Michigan use tax statute unless he is already the holder of a sales tax license.

(2) The prime contractor so registered will file regularly with the Michigan Department of Revenue the required monthly returns.

(3) The monthly returns are to be filed by the prime contractor and are to reflect all purchases by the prime contractor, including taxable purchases for nonfederal contracts, as well as all purchases by his subcontractors for use on federal contracts. If any portion of the monthly return covers materials to be used on contracts other than those with the U.S. Government, the proper tax is to be paid on such purchases and a supplemental letter should accompany such return showing a detailed breakdown of the federal and nonfederal purchases. If the return covers purchases for more than one Federal contract, a separate breakdown per contract is required. A copy of each return must be furnished to the office of administration.

(4) At the time of sales of such tangible personal property by sellers to prime contractor and his subcontractors, the use tax consumer registration number of the prime contractor will be furnished the sellers so that such sales are deductible by the sellers on their sales and use tax returns. This is done by entering the gross amounts on line 22 of their returns and by identifying same as sales to licensed contractors with the Federal Government.

(5) In the event, notwithstanding the agreement, Michigan sales and use taxes are assessed in connection with the performance of a military contract for construction, the prime contractor will immediately notify the contracting officer of this fact. Such notification will include the following information:

(i) Contract number and pertinent contract provisions under which reimbursement will be claimed, or if included in price.

(ii) A copy of the assessment and other information or correspondence which relates to the tax in question.

(d) *Special Tax Clause for use in Michigan construction contracts in excess of \$10,000 with the Air Force which contain any ASPR tax clause and amendments thereto:* (This clause contains the contractual language under which the contractor is required to exclude such tax from its price.)

(JUNE 1962)

Notwithstanding any other provision of this contract, the contract price or prices do not include any amount for Michigan sales and use taxes on materials incorporated in the construction or consumed solely in the performance of this contract. Although expressly excluded, the amount of such taxes is estimated to be \$----- In the event it is finally determined by the courts that the aforementioned taxes are required to be paid and the contractor pays such taxes, the amount excluded will be reimbursed the contractor, provided the contractor complied

## RULES AND REGULATIONS

with the instructions of the Contracting Officer.

(e) Statement for IFBs, RFPs, and RFQs for construction: IFBs, RFPs, and RFQs for construction should contain a statement that if the contract or any portion thereof is to be performed in the state of Michigan, there should be excluded from price all Michigan sales and use taxes imposed on materials incorporated in or used and consumed during construction. In this regard, reference is made to clause in preceding paragraph which will be used when appropriate.

(f) Existing contracts: Contracting officers will, in connection with existing construction contracts performed, or to be performed, in Michigan, take action to insure that the benefit of any reduction in cost by reason of the elimination of such Michigan sales and use taxes will accrue to the Government. Where necessary, this will be accomplished by contract amendments. It is to be noted that the administrative contracting officer is to be apprised of all assessments of excluded taxes. Contracting officers receiving such information will forward it in triplicate to AFLC (MCJ) through their local staff judge advocate.

#### Subpart D—Contract Clauses

##### § 1011.401-50 [Amendment]

In § 1011.401-50(a), the last word of the second sentence—"included"—is deleted.

(Sec. 8012, 70A Stat. 488; 10 U.S.C. 8012. Interpret or apply secs. 2301-2314, 70A Stat. 127-133; 10 U.S.C. 2301-2314)

### PART 1012—LABOR

#### Subpart D—Labor Standards in Construction Contracts

1. In § 1012.404-7, paragraph (c) is amended as follows:

##### § 1012.404-7 Investigations.

(c) *Special investigations.* Special investigations of suspected criminal or other violations of applicable labor laws must be full scale investigations to determine all pertinent facts, not merely inquiries as to the truth of allegations. It is the responsibility of the cognizant major command to monitor investigations of alleged labor law violations that are being conducted by base personnel under their jurisdiction to insure that qualified personnel are assigned to the investigations and that investigations are conducted properly and expeditiously.

(2) Special investigations at AFLC or AFSC installations, and reports of same in writing, will be made by the industrial relations office in the AF contract management district having geographic jurisdiction upon request of ACOs, Hq USAF, or other appropriate sources, or if special investigation is required under paragraph (a)(1)(vii) of this section. Hq USAF will forward such requests for investigation to the AFLO through AFLC (MCPP). The AFLO will forward the requests to the appropriate contracting

officer and an information copy to the appropriate major air command headquarters (staff procurement office), or, in the case of AFLC or AFSC contracts, to the appropriate industrial relations office. Special investigations at all major air commands in the United States, except AFLC and AFSC installations, will be made by a disinterested person designated by the base commander. If routine or field checks, complaints of violations, or the existence of actual or incipient work stoppages indicates that assistance is needed, a request for assistance may be sent to the nearest industrial relations office.

(3) and (4) \* \* \*

#### Subpart H—Nondiscrimination in Employment

In § 1012.806-2, the introductory paragraph only is changed to read as follows:

##### § 1012.806-2 Educational responsibility.

ACO's will at the earliest practical time acquaint the contractor with his responsibilities under the Nondiscrimination clause. To assure that the contractor is aware of his responsibilities under this provision, the contracting officer will submit a letter with the initial contract over \$5,000 and at periodic intervals thereafter (but not less frequently than every 6 months), submit letters to the contractors with copies of such letters maintained at the office of administration setting forth statements that:

(Sec. 8012, 70A Stat. 488; 10 U.S.C. 8012. Interpret or apply secs. 2301-2314, 70A Stat. 127-133; 10 U.S.C. 2301-2314)

### PART 1013—GOVERNMENT PROPERTY

#### Subpart D—Industrial Facilities

In § 1013.401(a), subparagraph (2) is revised to read as follows:

##### § 1013.401 Award of procurement.

(a) \* \* \*

(2) The procurement contract containing such clause will be placed in effect only under the following circumstances:

(i) When the expansion has been approved by the issuance of a procurement directive or fully approved purchase request authorizing the facilities expansion described in the facilities clause, or

(ii) When authorization has been obtained from the commander of the appropriate AMC center.

(Sec. 8012, 70A Stat. 488; 10 U.S.C. 8012. Interpret or apply secs. 2301-2314, 70A Stat. 127-133; 10 U.S.C. 2301-2314)

### PART 1014—INSPECTION AND ACCEPTANCE

Part 1014 is revised to read as follows:

|            |                      |
|------------|----------------------|
| Sec.       |                      |
| 1014.000   | Scope of subpart.    |
|            | Subpart A—Inspection |
| 1014.100   | Definitions.         |
| 1014.100-1 | Inspection.          |
| 1014.100-2 | Testing.             |

|            |                                                  |
|------------|--------------------------------------------------|
| Sec.       |                                                  |
| 1014.101   | General.                                         |
| 1014.102   | Activities responsible for inspection.           |
| 1014.103   | Inspection interchange agreements.               |
| 1014.104   | Contractor responsibility.                       |
| 1014.105   | Places of inspection.                            |
| 1014.105-1 | General.                                         |
| 1014.105-2 | Inspection at source.                            |
| 1014.105-3 | Inspection at destination.                       |
| 1014.106   | Inspection of small purchases (\$2,500 or less). |
| 1014.107   | Rejection of nonconforming supplies or services. |
| 1014.108   | Government inspection under subcontracts.        |
| 1014.109   | Inspection for foreign Governments.              |

#### Subpart B—Acceptance

|             |                                                                               |
|-------------|-------------------------------------------------------------------------------|
| 1014.201    | General.                                                                      |
| 1014.202    | Delivery under f.o.b. origin contracts.                                       |
| 1014.203    | Point of acceptance.                                                          |
| 1014.204    | Responsibility for acceptance.                                                |
| 1014.204-50 | General.                                                                      |
| 1014.204-51 | Base procurement.                                                             |
| 1014.205    | Acceptance of supplies or services not conforming with contract requirements. |

AUTHORITY: §§ 1014.000 to 1014.205 issued under sec. 8012, 70A Stat. 488; 10 U.S.C. 8012. Interpret or apply secs. 2301-2314, 70A Stat. 127-133; 10 U.S.C. 2301-2314.

#### § 1014.000 Scope of part.

This part sets forth general policy and basic requirements for the inspection and acceptance of supplies and services.

#### Subpart A—Inspection

##### § 1014.100 Definitions.

See § 14.100 of this title.

##### § 1014.100-1 Inspection.

See § 14.100-1 of this title.

##### § 1014.100-2 Testing.

See § 14.100-2 of this title.

##### § 1014.101 General.

See § 14.101 of this title.

##### § 1014.102 Activities responsible for inspection.

(a) AFSC is responsible for assuring the accomplishment within the Air Force of the procurement quality control objectives of the Department of Defense. The objectives are: (1) Achieve adequate, uniform, and economical procurement inspection, testing, and acceptance; (2) eliminate duplicate, overlapping, and multiple quality control assignments; (3) have all military quality control at a plant conducted by a single military quality control activity; and (4) develop and implement uniform quality control procedures, methods, and practices.

(b) AFSC will normally accomplish inspection and acceptance functions at contractors' facilities. Where contractors are to perform work or services at AF installations, the technical and inspection capabilities of such installations will be used to the fullest extent practicable for accomplishing these functions.

##### § 1014.103 Inspection interchange agreements.

See § 14.103 of this title.

##### § 1014.104 Contractor responsibility.

See § 14.104 of this title.

**§ 1014.105 Places of inspection.**

See § 14.105 of this title.

**§ 1014.105-1 General.**

See § 14.105-1 of this title.

(a) To aid in determining the point of inspection, the procuring and quality control (inspection) activities will collaborate in establishing categories of supplies appropriate for source or destination inspection and acceptance. Unless there are compelling reasons, there will be only one inspection of material. Where preservation, packaging, packing, and shipping are accomplished at a point other than where the supplies are to be manufactured, the material must be inspected at the point of manufacture. If it is desired that the packaging be inspected at the point where the packaging is accomplished this should be so stated in the contract. Normally the point of inspection and acceptance will be specified in the contract by using one of the following "inspection options":

**(1) Inspection and acceptance at -----**

(Insert contractor's plant or other source location(s))

This determination is made in compliance with §§ 14.105-2 and 14.203 of this title, and § 1001.1302 of this chapter.

**(2) Inspection and acceptance at -----**

(Insert the destination point)

This determination is made in compliance with §§ 14.105-3 and 14.203 of this title, and § 1001.1302 of this chapter.

**(3) Inspection at -----**

(Insert the source location(s))

with acceptance at -----

(Insert the destination point)

This determination is made in compliance with §§ 14.105-2 and 14.203 of this title, and § 1001.1302 of this chapter, wherein the contract provides for delivery f.o.b. destination.

**(4) Preliminary inspection at -----**

(Insert the source location(s))

with final inspection and acceptance at -----

(Insert the destination point)

This determination is made in compliance with §§ 14.105-2 and 14.203 of this title, and § 1001.1302 of this chapter. This option is used, for example, where the contractor furnishes supplies requiring source inspection and also performs work, such as installation, at destination which requires further inspection prior to acceptance. The inspection at source will be complete as to the performance of work required of the contractor at that location and will not be duplicated at destination.

**(5) Inspection and acceptance of material will be at -----**

(Insert contractor's plant or other source location(s))

Inspection and acceptance of the preservation, packaging, packing and shipping of the above material will be at -----

(Insert packaging subcontractor plant or location)

Upon completion of inspection and acceptance of material and the packaging as specified above, final inspection and acceptance will be considered as having been accomplished at the packaging subcontractor's plant or location.

**§ 1014.105-2 Inspection at source.**

See § 14.105-2 of this title.

**§ 1014.105-3 Inspection at destination.**

See § 14.105-3 of this title.

**§ 1014.106 Inspection of small purchases (\$2,500 or less).**

See § 14.106 of this title.

**§ 1014.107 Rejection of nonconforming supplies or services.**

See § 14.107 of this title.

**§ 1014.108 Government inspection under subcontracts.**

See § 14.108 of this title.

**§ 1014.109 Inspection for foreign governments.**

See § 14.109 of this title.

**Subpart B—Acceptance****§ 1014.201 General.**

See § 14.201 of this title.

**§ 1014.202 Delivery under f.o.b. origin contracts.**

See § 14.202 of this title.

**§ 1014.203 Point of acceptance.**

See § 14.203 of this title.

**§ 1014.204 Responsibility for acceptance.**

See § 14.204 of this title.

**§ 1014.204-50 Central procurements.**

In consonance with § 14.202 of this title, all central procurement contracts for supplies will include the appropriate clause in § 1007.4014 of this chapter, "Certificate of Conformance." The determination as to use of Contractor's Certificate of Conformance will be made by the quality control representative of the administering activity on the basis of experience, knowledge, and optimum utilization of quality control effort.

**§ 1014.204-51 Base procurement.**

In consonance with § 14.202 of this title, the clause in § 1007.4014 of this chapter, "Certificate of Conformance" may be included in base procurement contracts when the contracting officer has determined that inspection prior to acceptance is unnecessary, the f.o.b. point and point of acceptance are specified as source, and one of the following conditions exist:

(a) Delivery will be made directly from the contractor to an accountable supply officer at a destination other than the procuring base.

(b) Delivery will be made to a POE, APOE, or APO for shipment to an overseas activity.

(c) Supplies or services are being procured by an overseas activity and the shipment must cross an international border.

**§ 1014.205 Acceptance of supplies or services not conforming with contract requirements.**

See § 14.205 of this title.

**PART 1015—CONTRACT COST PRINCIPLES AND PROCEDURES**

A new Subpart A is added as follows:

**Subpart A—Applicability****§ 1015.150 Allowability of costs of production during strikes.**

The following principles and procedures for review of significant problems of cost allowability during strikes are established:

(a) *Principles.* It is recognized that increased costs may occur during a labor dispute. Whether the Air Force will bear the normal or increased costs incurred by the contractor during a labor dispute necessarily depends upon the nature of the costs and the terms of the contract in question. Where it is clear that increased costs have been kept within reasonable bounds, and are no greater than necessary for the performance of a contract according to the Air Force's essential interests during the period, they would be allowable. However, where the amount of such increases exceeds an amount which good business judgment would determine necessary for compliance with the terms of the contract; for instance, where they appear to have been incurred for the purpose of fighting a strike rather than for performing the contract according to the Government's requirements, they would not be allowed. Acceptable costs must be in categories of costs which are allocable and allowable according to established cost principles applicable to a contract, and are reasonable in the light of the Government's needs.

(b) *Review procedures.* The administrative contracting officer will review all such significant costs and determine the allowability of such costs for reimbursement under current contracts which are subject to his administration (including cost reimbursement type or other contracts which may be subject to subsequent price redetermination). In the conduct of the reviews, consideration of allowable and allocable costs will be according to the principles outlined in paragraph (a) of this section and a determination will be made that:

(1) The increases have been kept within reasonable bounds and were no greater than necessary for the performance of the contract according to the Government's essential interests during that period.

(2) Such increases exceed the amount which good business judgment would have determined necessary for compliance with the terms of the contract.

The ACO will forward his determination, suitably documented, to the commander of the appropriate contract management region for his approval prior to implementing the determination. Where contract administration is assigned to individuals not under the command of a contract management region, the contracting officer's determination will be submitted through channels to the commander of the first echelon of

command immediately subordinate to the headquarters of the major air command.

#### Subpart D—Construction Contracts

Subpart D is deleted.

(Sec. 8012, 70A Stat. 488; 10 U.S.C. 8012. Interpret or apply secs. 2301-2314, 70A Stat. 127-133; 10 U.S.C. 2301-2314)

### PART 1054—CONTRACT ADMINISTRATION

#### Subpart O—Preparation and Issuance of Shipping Instructions

1. In § 1054.1502, revise paragraph (a) (3) and add a new subparagraph (5) to paragraph (b), as follows:

##### § 1054.1502 Application.

(a) \* \* \*

(3) Changes in existing shipping instructions, except on DD Form 1155, "Order for Supplies and Services."

(b) \* \* \*

(5) Contracts which are placed on an acceptance at destination basis: Where there are compelling reasons for changing shipping instructions on contracts which provide for delivery and acceptance at destination, the activity desiring the change will notify the appropriate buyer and will provide him with information as to the effected contract items, quantities, and destinations together with detailed justification for the change. The buyer will, after determination that there are valid reasons for changing shipping instructions "(destination)", negotiate with the contractor for a change in the f.o.b. inspection and acceptance terms of the contract. Where new destinations are involved, the buyer will amend the contract to include inspection and acceptance at origin.

2. In § 1054.1504, paragraph (h) is revised to read as follows:

##### § 1054.1504 Shipping instruction activities.

(h) Copies of shipping instructions will be distributed according to requirements of activities and will include copies for office of contract administration; three copies for initiator; one copy for the monitoring activity; one copy for consignee of the shipment, unless consignee is an MAP recipient country. When amended shipping instructions are issued on a contract which provides for acceptance at destination, internal procedures will be established between the issuing office and the applicable contract distribution office to insure that the consignee specified in the shipping instructions (except when consignee is another contractor) is furnished a copy of the applicable contract and appropriate changes. A copy of shipping instructions making packaging changes, will be routed to the cognizant administrative contracting officer by separate distribution from that of other copies forwarded to administrative activities.

3. In § 1054.1505, paragraph (c) is revised to read as follows:

##### § 1054.1505 Contract administrative activities.

(c) Obtain from the contractor a proposal for contract price adjustment for changed packaging requirements, resulting from amended shipping instructions. ACOs will review all amended shipping instructions on a periodic, consolidated basis (at least once a year or whenever the net adjustment resulting from packaging or destination charges exceeds \$5,000) and at the completion of contract. Except where the ACO has pricing responsibility according to § 1001.457(a) (12) and Subpart D, Part 1055 of this chapter, the ACO will forward the proposal for price change with his recommendation to the procuring contracting officer for contract amendment. The ACO will not delay shipment according to the revised shipping instructions pending completion and formalization of negotiations.

#### Subpart AA—Special Bank Accounts for Advance Payments

Subpart AA is deleted.

(Sec. 8012, 70A Stat. 488; 10 U.S.C. 8012. Interpret or apply secs. 2301-2314, 70A Stat. 127-133; 10 U.S.C. 2301-2314)

### PART 1057—REPORTS

#### Subpart W—Report of Effectiveness of Labor Law Enforcement on Air Force Contracts

Revise § 1057.2303 to read as follows:

##### § 1057.2303 Procedure.

(a) Upon receipt of a complaint of an alleged labor law violation, the front side of the AFPI Form 30 will be accomplished as completely as possible in quintuplicate by the AFLO. Additional information and record of actions will be added as received or as they occur. (The form is self-explanatory.) Record of actions will be posted in very abbreviated form.

(b) The reverse side of AFPI Form 30 will be completed when cases are either closed by AFLO or forwarded to Hq USAF for decision and disposition.

(c) At the end of the reporting period all duplicates of the form will be removed and forwarded to AFLC (MCPP); triplicates will be forwarded to the appropriate CMR; quadruplicates will be forwarded to AFSC (SCMKM); and, except for AFLC and AFSC, quintuplicates will be forwarded to the appropriate major air command headquarters (staff procurement office). At this time four AFPI Forms 30, completed only as to contractor's name, AFLO Investigation No., and AFLO location, will be attached with interleaved carbon to the original (settled cases or cases forwarded to Hq USAF excepted) and filed for further posting.

(Sec. 8012, 70A Stat. 488; 10 U.S.C. 8012. Interpret or apply secs. 2301-2314, 70A Stat. 127-133; 10 U.S.C. 2301-2314)

By order of the Secretary of the Air Force.

CARROLL W. KELLEY,  
Lt. Colonel, U.S. Air Force,  
Chief, Special Activities  
Group, Office of The Judge  
Advocate General.

[F.R. Doc. 62-6419; Filed, July 2, 1962; 8:45 a.m.]

### Chapter XVII—Office of Emergency Planning

#### PART 1710—FEDERAL DISASTER ASSISTANCE

##### Criteria of Eligibility for Financial Assistance

Subsection 1710.15(a) is amended by deleting the word "annually" after the phrase "an amount published."

Dated: June 28, 1962.

EDWARD A. McDERMOTT,  
Director.

[F.R. Doc. 62-6502; Filed, June 29, 1962; 12:32 p.m.]

## Title 36—PARKS, FORESTS, AND MEMORIALS

### Chapter I—National Park Service, Department of the Interior

#### PART 1—GENERAL RULES AND REGULATIONS

##### Fishing in National Parks

Notice is hereby given that pursuant to the authority vested in the Secretary of the Interior by section 3 of the act of August 25, 1916 (39 Stat. 535; 16 U.S.C. 3), 36 CFR 1.4 is amended as set forth below.

The purpose of the amendments is to permit the use of seines for procuring bait and to permit the use of minnows for bait in Big Bend National Park where both practices were formerly prohibited.

The following amendments shall become effective upon publication in the FEDERAL REGISTER in order to give the public the benefit of its provisions as soon as possible.

Paragraphs (b) and (c) of § 1.4 are amended to read as follows:

##### § 1.4 Fishing.

(b) Fishing with nets, seines, traps, or by the use of drugs or explosives, or for merchandise or profit, or in any other way than with hook and line, the rod or line being held in the hand, is prohibited: *Provided*, That fishing with trot and throw lines in the Green and Nolin Rivers in Mammoth Cave National Park and in the Rio Grande River in Big Bend National Park is permitted: *Provided further*, That commercial fishing in the waters of Everglades National Park and Fort Jefferson, Glacier Bay, and Channel Islands National Monuments, and the use of seines for

procuring bait in Big Bend National Park and Mammoth Cave National Park, are permitted under special regulations.

(c) The possession of live or dead minnows, chubs, or other bait fish, or fish eggs or the use thereof as bait, or the placing or depositing of fish eggs, fish roe, food or other substance in any waters for the purpose of attracting, collecting, or feeding fish, is prohibited except in Acadia National Park, Big Bend National Park, Everglades National Park, Hawaii National Park, Fort Jefferson and Channel Islands National Monuments, the Green and Nolin Rivers in Mammoth Cave National Park, and the waters of Glacier Bay National Monument in which commercial fishing is permitted in accordance with regulations approved by the Secretary of the Interior.

JOHN A. CARVER, JR.,  
Assistant Secretary of the Interior.

JUNE 27, 1962.

[F.R. Doc. 62-6442; Filed, July 2, 1962;  
8:51 a.m.]

## Title 38—PENSIONS, BONUSES, AND VETERANS' RELIEF

### Chapter I—Veterans Administration

#### PART 3—ADJUDICATION

#### Subpart A—Pension, Compensation, and Dependency and Indemnity Compensation

##### MISCELLANEOUS AMENDMENTS

1. In § 3.205, paragraph (a), subparagraphs (5) and (6) are amended and subparagraph (7) is added, and paragraphs (b) and (c) are amended to read as follows:

##### § 3.205 Marriage.

(a) *Proof of marriage.* \* \* \*

(5) The affidavits or certified statements of two or more eyewitnesses to the ceremony.

(6) In jurisdictions where marriages other than by ceremony are recognized the affidavits or certified statements of one or both of the parties to the marriage, if living, setting forth all of the facts and circumstances concerning the alleged marriage, such as the agreement between the parties at the beginning of their cohabitation, the period of cohabitation, places and dates of residences, and whether children were born as the result of the relationship. This evidence should be supplemented by affidavits or certified statements from two or more persons who know as the result of personal observation the reputed relationship which existed between the parties to the alleged marriage including the periods of cohabitation, places of residences, whether the parties held themselves out as husband and wife, and whether they were generally accepted as such in the communities in which they lived.

(7) Any other secondary evidence which reasonably supports a belief by the Adjudicating activity that a valid marriage actually occurred.

(b) *Valid marriage.* In the absence of conflicting information, proof of marriage which meets the requirements of paragraph (a) of this section together with the claimant's certified statement concerning the date, place and circumstances of dissolution of any prior marriage may be accepted as establishing a valid marriage, except in a case involving a Mexican divorce, provided that such facts, if they were to be corroborated by record evidence, would warrant acceptance of the marriage as valid. Where necessary to a determination because of conflicting information, proof of termination of a prior marriage will be shown by proof of death, or a certified copy or a certified abstract of final decree of divorce or annulment specifically reciting the effects of the decree. (See § 3.206.)

(c) *Marriages deemed valid.* In a widow's claim where she has submitted proof of marriage in accordance with paragraph (a) of this section and also meets the requirements of § 3.52, her signed statement that she had no knowledge of an impediment to her marriage to the veteran will be accepted, in the absence of information to the contrary, as proof of that fact.

2. Immediately following § 3.205, a new cross reference is added so that the cross references read as follows:

CROSS REFERENCES: Marriages deemed valid. See § 3.52. Definitions; marriage. See § 3.1(j).

3. Section 3.206 is revised to read as follows:

##### § 3.206 Divorce.

Divorce should be established by a certified copy, or a certified abstract, of the final decree, specifically reciting the effect of the judgment. A divorce decree, regular on its face and granted either within or without the matrimonial domicile, will be accepted for pension, compensation, or dependency and indemnity compensation purposes in determining marital status unless there is a protest or there is other reason for further inquiry; e.g., a divorce granted in Mexico, which jurisdiction does not normally require bona fide domicile, is routinely subject to inquiry. In cases where recognition of the decree is questionable:

(a) Where the issue is whether the veteran is single or married (dissolution of a subsisting marriage), there must be a bona fide domicile in addition to the standards of the granting jurisdiction respecting validity of divorce;

(b) Where the issue is the validity of marriage to a veteran following a divorce, the matter of recognition of the divorce by Veterans Administration (including any question of bona fide domicile) will be determined according to the laws of the jurisdictions specified in § 3.1(j).

(72 Stat. 1114; 38 U.S.C. 210)

These regulations are effective July 3, 1962.

[SEAL]

W. J. DRIVER,  
Deputy Administrator.

[F.R. Doc. 62-6462; Filed, July 2, 1962;  
8:54 a.m.]

## Title 43—PUBLIC LANDS: INTERIOR

### Chapter I—Bureau of Land Management, Department of the Interior

#### APPENDIX—PUBLIC LAND ORDERS

[Public Land Order 2714]

[Washington 04382]

#### WASHINGTON

#### Power Site Restoration No. 582; Power Site Cancellation No. 169; Partly Revoking Power Withdrawals

By virtue of the authority vested in the President by section 1 of the act of June 25, 1910 (36 Stat. 847; 43 U.S.C. 141), and pursuant to Executive Order No. 10355 of May 26, 1952, and by virtue of the authority contained in the act of March 3, 1879 (20 Stat. 394; 43 U.S.C. 31), and in section 24 of the Federal Power Act of June 10, 1920 (41 Stat. 1075; 16 U.S.C. 818), as amended, and pursuant to the determination of the Federal Power Commission, it is ordered as follows:

1. The Executive orders of December 1, 1910 and February 3, 1913, creating Power Site Reserves Nos. 160 and 333, respectively, and the departmental order of November 13, 1928, establishing Power Site Classification No. 207, are hereby revoked so far as they affect the following described lands:

##### WILLAMETTE MERIDIAN

T. 35 N., R. 9 E.,  
Sec. 7, lots 6, 7, and NE $\frac{1}{4}$ SE $\frac{1}{4}$ .  
T. 37 N., R. 9 E.,  
Sec. 4, SW $\frac{1}{4}$ SW $\frac{1}{4}$ ;  
Sec. 17, SE $\frac{1}{4}$ SE $\frac{1}{4}$  and NE $\frac{1}{4}$ NE $\frac{1}{4}$ ;  
Sec. 18, lots 3 and 4;  
Sec. 29, W $\frac{1}{2}$ NE $\frac{1}{4}$  and NW $\frac{1}{4}$ SE $\frac{1}{4}$ ;  
Sec. 30, NW $\frac{1}{4}$ NE $\frac{1}{4}$  and NE $\frac{1}{4}$ NW $\frac{1}{4}$ .  
T. 38 N., R. 9 E.,  
Sec. 26, SW $\frac{1}{4}$ SE $\frac{1}{4}$ ;  
Sec. 34, NE $\frac{1}{4}$ NE $\frac{1}{4}$  and SW $\frac{1}{4}$ NE $\frac{1}{4}$ ;  
Sec. 35, N $\frac{1}{2}$ NW $\frac{1}{4}$ ;  
Sec. 36, NE $\frac{1}{4}$ SE $\frac{1}{4}$  and S $\frac{1}{2}$ SE $\frac{1}{4}$ .

The areas described aggregate 830.40 acres. The lands described in section 7, T. 35 N., R. 9 E., are public lands, the remainder comprising national forest lands in the Mt. Baker National Forest.

2. In its determination docketed DA-166-Washington, the Federal Power Commission vacated the withdrawal created pursuant to the filing of an application for license for Project No. 426 so far as it affects the following described lands:

##### WILLAMETTE MERIDIAN

T. 35 N., R. 9 E.,  
Sec. 7, lot 7.

Containing 23.40 acres.

3. Until 10:00 a.m. on December 26, 1962, the State of Washington shall have (1) a preferred right of application to select the public lands in accordance with subsection (c) of section 2 of the act of August 27, 1958 (72 Stat. 928; 43 U.S.C. 851, 852), and (2) a preferred right to apply for the reservation to it or to any of its political subdivisions under any statute or regulation applicable thereto of any of the lands de-

scribed in paragraph 1 of this order required for a right-of-way for a public highway or as a source of materials for the construction and maintenance of such highways, in accordance with the provisions of section 24 of the Federal Power Act.

4. This order shall not otherwise be effective to change the status of the lands until 10:00 a.m. on December 26, 1962. At that time the public lands shall be open to the operation of the public land laws generally, subject to valid existing rights and equitable claims, the requirements of applicable law, rules and regulations, and the provisions of any existing withdrawals, the national forest lands being open at that time to such forms of disposition as may by law be made of national forest lands.

5. The lands have been open to applications and offers under the mineral leasing laws and to location under the mining laws, subject to the provisions of the act of August 11, 1955 (69 Stat. 682; 30 U.S.C. 621).

Inquiries concerning the lands should be addressed to the Manager, Land Office, Bureau of Land Management, Spokane, Washington.

JOHN A. CARVER, JR.,  
Assistant Secretary of the Interior.

JUNE 27, 1962.

[F.R. Doc. 62-6441; Filed, July 2, 1962;  
8:51 a.m.]

## Title 47—TELECOMMUNICATION

### Chapter I—Federal Communications Commission

#### PART 16—LAND TRANSPORTATION RADIO SERVICES

##### Station Records

In the matter of amendment of § 16.160 of Part 16—Land Transportation Radio Services, for the purpose of making editorial changes therein.

The Commission having considered paragraphs (c) and (d) of § 16.160 of Part 16—Land Transportation Radio Services; and

It appearing that prior to April 27, 1960, the provisions of these paragraphs required certain station records to be maintained at base and fixed stations in the Land Transportation Radio Services at which licensed operators were required; and

It further appearing that by virtue of the provisions of the former § 16.354, which provided that employees of the Class I and Class II railroads of the United States might operate fixed and base stations without holding any class of commercial radio license issued by the Commission upon compliance with the requirements therein, most licensees of base and fixed stations in the Railroad Radio Service were exempt from these station record requirements; and

It further appearing that by its Report and Order (FCC 60-397) in Docket No. 12913, the Commission, effective April

25, 1960, greatly relaxed its requirement of licensed commercial operators at base and fixed stations in the Land Transportation Radio Services and, therefore, by its Second Report and Order (FCC 60-463) in Docket No. 12913 amended paragraphs (c) and (d) of § 16.160 to impose the station record requirement on all base or fixed stations at which operators, either licensed or unlicensed, are required; and

It further appearing that although the Commission in its Second Report and Order in Docket 12913 stated it did not intend to alter existing station record requirements, the inadvertent effect of the amendments adopted therein was to delete the exemption to the station record requirements previously afforded to licensees in the Railroad Radio Service; and

It further appearing that the amendment ordered herein would correct this error and would serve the public interest; and

It further appearing that the amendments adopted herein are editorial in nature, thus making compliance with the public notice and rule making procedures of section 4 (a) and (b) of the Administrative Procedure Act unnecessary, and for same reason, compliance with the effective date provisions of section 4(c) of the same act is not required; and

It further appearing that authority for the issuance of this Order is contained in sections 4(i) and 303(r) of the Communications Act of 1934, as amended, and section 0.341(a) of the Commission's Statement of Delegation of authority;

It is ordered, This 25th day of June 1962, that effective July 2, 1962, § 16.160 of Part 16 of the Commission's rules is amended as set forth below.

(Sec. 4, 48 Stat. 1066, as amended; 47 U.S.C. 154. Interprets or applies sec. 303, 48 Stat. 1082, as amended; 47 U.S.C. 303)

Released: June 28, 1962.

FEDERAL COMMUNICATIONS  
COMMISSION,

[SEAL] BEN F. WAPLE,  
Acting Secretary.

In § 16.160, paragraph (c) and the introductory text of paragraph (d) are amended to read as follows:

##### § 16.160 Station records.

(c) Except in the Railroad Radio Service, for base stations and fixed stations at which operators (either licensed or unlicensed) are required, the name or names of the persons responsible for the operation of the transmitting equipment each day, together with the period of their duty.

(d) Except in the Railroad Radio Service, for base stations at which operators (either licensed or unlicensed) are required, when they communicate with other base stations or with fixed stations:

[F.R. Doc. 62-6457; Filed, July 2, 1962;  
8:53 a.m.]

## PART 43—REPORTS OF COMMUNICATION COMMON CARRIERS AND CERTAIN AFFILIATES

### Miscellaneous Amendments

In the matter of amendment of Part 43—Reports of Communication Common Carriers and Certain Affiliates, of the Commission's rules and of Annual Report Forms H, M, O, and R to remove the present requirements that the reports be verified under oath.

At a session of the Federal Communications Commission held at its offices in Washington, D.C., on the 27th day of June 1962;

The Commission having under consideration the desirability of amending its rules and its common carrier annual report forms to delete the requirement that the reports be verified under oath; and

It appearing that Public Law No. 87-444, 87th Congress (approved April 27, 1962), amended the Communications Act by removing the requirement from section 219(a) that annual reports from communication common carriers and persons controlling such carriers be under oath; and

It further appearing that removal of the oath requirement in the annual reports of communication common carriers is desirable in that it will relieve the carriers of an unnecessary requirement and, at the same time, relieve the Commission of the administrative burden of returning reports filed which are not verified; and

It further appearing that the accuracy of the annual reports should be adequately assured by the provisions of section 1001 of Title 18 of the United States Code which provides penalties for willful false statements; and

It further appearing that § 43.21 of Part 43—Reports of Communication Common Carriers and Certain Affiliates, of the Commission's rules; Annual Report Form H for Holding Companies; Annual Report Form M for Class A and Class B Telephone Companies; Annual Report Form O for Wire-Telegraph and Ocean-Cable Carriers; and Annual Report Form R for Radiotelegraph Carriers each now contains provisions that require that the annual reports be signed under oath; and

It further appearing that the Verification in Form H contains, in addition to the oath by the officer having control of the accounting, a supplemental oath by the president or other chief officer of the reporting company, unless such chief officer has no control over the accounting of the respondent; and

It further appearing that it is unnecessary to require a certification in Form H which is more comprehensive than the ones used in Forms M, O, and R; and

It further appearing that the amendments adopted herein represent relaxation of the Rules and do not, in any event, relate to matters of substance to be reported, and hence do not require compliance with the public notice and