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This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect, most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510.

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FARM CREDIT ADMINISTRATION

12 CFR Part 615

Funding and Fiscal Affairs, Loan Policies and Operations, and Funding Operations; Correction

AGENCY: Farm Credit Administration.

ACTION: Final rule; correction.

SUMMARY: The Farm Credit Administration (FCA) is correcting errors that appeared in the final rule which amended the regulation relating to the capitalization of Farm Credit System banks and associations. The final rule appeared in the Federal Register on October 13, 1988 (53 FR 40033).

EFFECTIVE DATE: February 9, 1989.

FOR FURTHER INFORMATION CONTACT:

William G. Dunn, Chief, Financial Analysis and Standards Division, Farm Credit Administration, 1501 Farm Credit Drive, McLean, Virginia 22102-5090, (703) 883-4402, or

Dorothy J. Acosta, Senior Attorney, Office of General Counsel, Farm Credit Administration, 1501 Farm Credit Drive, McLean, Virginia 22102-5090, (703) 883-4020, TDD 883-4444.

SUPPLEMENTARY INFORMATION: In preparing the final rule for publication in the Federal Register, the amendatory language instructions were incorrectly stated in Subpart I and Subpart J.

PART 615—FUNDING AND FISCAL AFFAIRS, LOAN POLICIES AND OPERATIONS AND FUNDING OPERATIONS

1. On page 40046, first column, amendatory instruction number 3 is correctly revised to read as follows:

Subpart I—Issuance of Equities

3. Section 615.5250 in Subpart J is removed and Subpart I is revised to read as follows:

2. On page 40047, third column, the amendatory instruction is correctly revised to read as follows:

Subpart J—Retirement of Equities

3. Subpart J is amended by removing §§ 615.5255, 615.5320 and 615.5325 and by revising §§ 615.5260, 615.5270 and 615.5280.

Date: February 13, 1989.

Michael A. Bronson,

Acting Secretary, Farm Credit Administration Board.

[FR Doc. 89-3715 Filed 2-15-89; 8:45 am]

BILLING CODE 6705-01-M

SMALL BUSINESS ADMINISTRATION

13 CFR Part 121

Small Business Size Standards; Segmentation of the Industry Category of Shipbuilding and Ship Repair

AGENCY: Small Business Administration.

ACTION: Emergency final rule.

SUMMARY: The Business Opportunity Development Reform Act of 1988, Pub. L. 100-656, requires the Small Business Administration (SBA) to segment the industry category of shipbuilding and ship repair (Standard Industrial Classification code 3731) as follows:

- (1) Nuclear shipbuilding and ship repair;
- (2) Nonnuclear Shipbuilding, and
- (3) Nonnuclear ship repair, which shall be further segmented by, at least, east coast and west coast facilities.

This rule implements this requirement by defining each segment of the shipbuilding and ship repair industry and by identifying each segment with its own distinct size standard of 1,000 employees.

DATES: Effective February 16, 1989. Comments April 17, 1989.

ADDRESSES: Send Comments to: Gary M. Jackson, Director Size Standards Staff, U.S. Small Business Administration, 1441 L Street, NW., Rm. 601, Washington, DC 20416.

FOR FURTHER INFORMATION CONTACT: Robert Ray, (202) 653-6373.

SUPPLEMENTARY INFORMATION: Title VII of the "Business Opportunity Development Reform Act of 1988" (Pub. L. 100-656) establishes a Small Business Competitiveness Demonstration Program to provide for the testing of various procurement methods and procedures. Four designated industry groups were selected for the purpose of participation in this test program. These four groups include:

- (1) Construction (excluding dredging)
- (2) Refuse Systems and Related Services
- (3) Architectural and Engineering Services (including Surveying and Mapping Services), and
- (4) Nonnuclear Ship Repair.

Nine Federal agencies were selected to participate in this test program. For the nine Federal agencies participating in the program, additional recordkeeping requirements are imposed for monitoring contracting in these four designated industry groups. Moreover, the decisions of the nine agencies relating to small business set-aside procurement in these four industry groups are to be regulated by the program. The test program begins January 1, 1989 and continues through December 31, 1992.

With regard to the shipbuilding and ship repair industry (Standard Industrial Classification (SIC) code 3731), the legislation requires that nonnuclear ship repair participate in the program, while other categories of shipbuilding and ship repair in SIC code 3731 are not included in the program. However, pursuant to section 741 of the Act, SBA is also directed to segment the entire industry of SIC code 3731 into component industry groups as follows:

- (1) Nuclear shipbuilding and ship repair;
- (2) Nonnuclear Shipbuilding, and
- (3) Nonnuclear ship repair, which shall be further segmented by, at least, east coast and west coast facilities.

The requirement that SBA segment the industry according to various criteria raises two sets of issues which are addressed in this rule. First, SBA must define certain terms such as nuclear ship, nonnuclear ship, and what activities are included within ship repair. SBA must also determine geographical segmentation of ship repair facilities. Second, SBA must determine whether or not the present size standard of 1,000 employees for all of shipbuilding and ship repair should be continued for each segmented industry group.

Definitions

The SBA interprets the terms "nuclear and nonnuclear" to refer to the mode of propulsion of the ship in question. Within shipbuilding and ship repair, more specialized capital equipment and labor skills are utilized in building a nuclear powered ship than are found throughout the industry for nonnuclear powered ships. In addition, shipyards building nuclear powered ships or repairing the nuclear propulsion components of a ship must be certified to perform this work. This supports segmenting work on nuclear and nonnuclear ships by the mode of propulsion. Thus, any repair work on a ship which is either nonpropelled (barges, drilling platforms, etc.) or propelled by fossil fuels would be included in the category of nonnuclear ship repair. Any repair work on a ship propelled by nuclear power would be classified in the category of nuclear ship repair.

The segmentation of shipbuilding and ship repair adopts the definitions established by the Standard Industrial Classification. This classification is used by the U.S. Bureau of Census to collect and publish data on shipbuilding and ship repair. Ship repair includes repair of existing ships as well as conversions and reconversions. This also includes work commonly referred to as overhauls, alterations and the like. Shipbuilding involves the construction of new ships.

In regard to the geographical subdivision of work for nonnuclear ship repair which is a feature of the test program, SBA is adopting an east and west coast division with the demarcation determined by the 108° meridian. This segmentation is selected because virtually all river and lake systems in the United States lie either entirely east or west of the meridian and thus ship repair facilities located along inland waterways will be classified easily into either the east or west coast for purposes of complying with data collection requirements of the Act.

This geographical segmentation for nonnuclear ship repair satisfies the statutory requirement of section 741 of Pub. L. 100-656.

Further geographical segmentation may be developed for nonnuclear ship repair at a later date if supported by the prerequisites for geographical segmentation specified in section 15(a)(3) of the Small Business Act. SBA had previously considered and rejected a more detailed geographical segmentation of nonnuclear ship repair, as not satisfying the required

prerequisites (see 52 FR 8261 and 52 FR 47937). Consequently, geographical segmentation of nonnuclear ship repair is limited to the statutorily required segmentation by east and west coast ship repair facilities.

The Size Standard Issue

At present all shipbuilding and ship repair activity is included in SIC code 3731 with a 1,000-employee size standard. Section 732 of the Business Opportunity Development Act states that any numerical size standard that pertains to any of the designated industry groups that is in effect on September 30, 1988 shall remain in effect for the duration of the program. Since nonnuclear ship repair is one of the designated industry groups, its size standard of 1,000 employees will not be changed by the SBA while the program exists. However, the SBA could revise the 1,000 employee size standard as it applies to the balance of the shipbuilding and ship repair industry, while the program is in effect. Therefore, SBA invites comments as to the appropriateness of the 1,000-employee size standard as it applies to these industries.

SBA's procedures for segmentation of an industry require a separate identification of each segmented industry group as well as a distinct size standard. It does not, however, require a different size standard for each segmented industry group. In the case of the various components of the shipbuilding and ship repair industry, data are not readily available which would be unique to each of the various components of the industry. Furthermore, no geographical data are readily available for the nonnuclear ship repair component of the industry for the east coast and west coast. The unavailability of current data would make any distinctions in size standards among the various component industries unsupportable, and thus SBA is choosing to retain a size standard of 1,000 employees for each segment of the shipbuilding and ship repair industry at this time.

Compliance With Regulatory Flexibility Act, Executive Orders 12291 and 12612 and the Paperwork Reduction Act

SBA certifies that this emergency final rule is not a major rule within the meaning of Executive Order 12291. These segmented size standards are established to facilitate the implementation of criteria relating to the shipbuilding and ship repair industry as stated in the Business Opportunity Reform Act of 1988 (Pub. L. 100-656). As

directed by Congress, this rule has segmented the shipbuilding and ship repair industry into the components of: (1) Nuclear shipbuilding and ship repair, (2) nonnuclear shipbuilding (3) nonnuclear ship repair, east coast, and (4) nonnuclear ship repair, west coast.

The size standard of 1,000 employees which formerly applied to the entire industry now applies without exception to each of the components. Consequently, this rule will not have an annual economic effect exceeding \$100 million since the small business status of every firm in the industry remains unchanged. For the same reason, this regulation is not likely to result in a major increase in costs or prices or have a significant adverse effect on the United States economy.

The SBA has also clarified certain concepts first stated in the Business Opportunity Development Reform Act of 1988. These concepts, which include a definition of nuclear and nonnuclear ships and an explicit geographic separation of the nonnuclear ship repair category based on the 108° meridian clarifies language incorporated in the Act, but does not change the size status of any firm.

This rule is published as an emergency final rule since a segmentation of the shipbuilding and ship repair industry is required for purposes of the test program beginning on January 1, 1989. Several agencies participating in the test program contract for nonnuclear ship repair services and need a definition of this activity. The Act establishing the test program was signed by the President on November 15, 1988. Since the statutorily required implementation date was only 6 weeks after the Act was signed, a notice of proposed rulemaking for purposes of obtaining public comment was not practicable. However, SBA will consider any comments submitted concerning this rule and, if these comments show reason to change these standards, will promulgate regulations at a later date.

SBA also certifies that this final rule will not have a significant economic impact on a substantial number of small entities. This rule, as described above, segments the shipbuilding and ship repair industry into several components for the purposes of collecting data on Federal procurements. The small business status of firms in the industry does not change since the small business size standard remains at 1,000 employees. Accordingly, a Regulatory Flexibility Analysis is not required for this rule.

SBA also certifies that this final rule would not have Federalism implications warranting the preparation of a Federalism assessment in accordance with Executive Order 12612. Also, this rule imposes no new reporting or recordkeeping requirements on businesses under the Paperwork Reduction Act 44, U.S.C., Chapter 35.

List of Subjects in 13 CFR Part 121

Administrative practice and procedure, Government procurement, Government property, Grant programs—business, Loan programs—business, Reporting and recordkeeping requirements, Small business.

Accordingly, Part 121 of 13 CFR is amended as follows:

PART 121—[AMENDED]

1. The authority citation for Part 121 of 13 CFR is revised to read as follows:

Authority: Secs. 3(a) and 5(b) (6) of the Small Business Act, as amended, 15 U.S.C., 632(a) and 634(b) (6), and Public Laws 99-591, 99-661, and 100-656.

§ 121.2 [Amended]

2. In § 121.2(d) (2), Table 2, "Major Group 37—Transportation" SIC code 3731 is revised to read as follows:

SIC	Description	Size standards in number of employees or millions of dollars
(* = New SIC code in 1987, not used in 1972)	(N.E.C. = Not elsewhere classified)	
3731	Shipbuilding and Repair of Nuclear Propelled Ships	1,000
	Shipbuilding of Nonnuclear Propelled Ships and Nonpropelled Ships	1,000
	Ship Repair (Including Overhauls and Conversions) Performed on Nonnuclear Propelled and Nonpropelled Ships East of the 108 Meridian	1,000
	Ship Repair (Including Overhauls and Conversions) Performed on Nonnuclear Propelled and Nonpropelled Ships West of the 108 Meridian	1,000

James Abdnor,
Administrator U.S. Small Business
Administration.

Date: January 30, 1989.

[FR Doc. 89-3436 Filed 2-15-89; 8:45 am]

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DEPARTMENT OF DEFENSE

Office of the Secretary

32 CFR Part 366

[DoD Directive 5141.1]

Assistant Secretary of Defense (Program Analysis and Evaluation); Authority Delegation

AGENCY: Department of Defense.

ACTION: Final rule.

SUMMARY: This document revises 32 CFR Part 366 in order to: Reflect elevation of the Director, Program Analysis and Evaluation (DPA&E) to Assistant Secretary of Defense level; emphasize the ASD(PA&E)'s responsibility for the analysis of allied contributions in the review of DoD plans, programs, and budget submissions; clarify §§ 366.3 (e) and (f) to indicate that the referenced responsibilities also include classified programs; add responsibility for the review of Cost and Operational Effectiveness Analyses submitted in support of Defense Acquisition Board milestone decisions; and reflect the ASD(PA&E)'s role in the new program review and execution review phase of the Planning, Programming, and Budgeting System.

EFFECTIVE DATE: February 1, 1989.

FOR FURTHER INFORMATION CONTACT: Mr. H. Becker, Office of the Director for Administration and Management, Washington, DC 20301-1155, telephone 202-697-0709.

SUPPLEMENTARY INFORMATION:

List of Subjects in 32 CFR Part 366

Organization and management.

Accordingly, 32 CFR Part 366 is revised to read as follows:

PART 366—ASSISTANT SECRETARY OF DEFENSE (PROGRAM ANALYSIS AND EVALUATION)

Sec.

366.1 Purpose.

366.2 Definition.

366.3 Responsibilities.

366.4 Functions.

366.5 Relationships.

366.6 Authorities.

Authority: 10 U.S.C. 136.

§ 366.1 Purpose.

This part is revised pursuant to the authority vested in the Secretary of Defense under 10 U.S.C.:

(a) Designates one of the positions of Assistant Secretary of Defense as the Assistant Secretary of Defense (Program Analysis and Evaluation) (ASD(PA&E)).

(b) Assigns responsibilities, functions, relationships, and authorities, as prescribed herein, to the ASD(PA&E).

§ 366.2 Definition.

DoD Components. The Office of the Secretary of Defense (OSD), the Military Departments, the Joint Chiefs of Staff (JCS), the Joint Staff, the Unified and Specified Commands, the Defense Agencies, and the DoD Field Activities.

§ 366.3 Responsibilities.

The Assistant Secretary of Defense (Program Analysis and Evaluation) (ASD(PA&E)), as the principal staff assistant to the Secretary of Defense for DoD program analysis and evaluation, shall:

(a) Provide advice, make recommendations, and participate in the development of policies and the preparation of planning, fiscal, and materiel support guidance upon which DoD program projections are based.

(b) Perform analyses and evaluations of plans, programs, and budget submissions in relation to projected threats, allied contributions, estimated costs, resource constraints, and U.S. defense objectives and priorities.

(c) Identify issues and evaluate alternative programs.

(d) Initiate programs, actions, and taskings to ensure adherence to DoD policies and national security objectives, and ensure that programs are designed to accommodate operational requirements and promote the readiness and efficiency of the U.S. Armed Forces.

(e) Review, analyze, and evaluate programs, including classified programs, for carrying out approved policies and standards.

(f) Ensure that the costs of DoD programs, including classified programs, are presented accurately and completely.

(g) Assess the effects of DoD spending on the U.S. economy, and evaluate alternative policies to ensure that the DoD program can be implemented efficiently.

(h) Provide leadership in developing and promoting improved analytic tools and methods for analyzing national security planning and the allocation of resources.

(i) Serve on boards, committees, and other groups pertaining to the ASD(PA&E)'s functional areas, and represent the Secretary of Defense on PA&E matters outside the Department of Defense.

(j) Perform such other duties as the Secretary of Defense may assign.