

Acquisition Regulation Supplement (DFARS) to encourage increased use of commercial quality standards in DoD contracts.

**DATES:** *Effective date:* June 13, 1995.

*Comment date:* Comments on the interim rule should be submitted in writing to the address shown below on or before August 28, 1995, to be considered in the formulation of the final rule.

**ADDRESSES:** Interested parties should submit written comments to: Defense Acquisition Regulations Council, Attn: Mr. Richard G. Layser, PDUSD(A&T)DP(DAR), IMD 3D139, 3062 Defense Pentagon, Washington, DC 20301-3062. Telefax number (703) 602-0350. Please cite DFARS Case 95-D007 in all correspondence related to this issue.

**FOR FURTHER INFORMATION CONTACT:** Mr. Rick Layser, (703) 602-0131.

#### **SUPPLEMENTARY INFORMATION:**

##### **A. Background**

Current DoD initiatives to merge the Defense and private sector industrial base require increased use of commercial standards and recognition of contractor quality systems. This interim rule amends DFARS Part 246 to encourage increased use of commercial quality standards by removing existing requirements to use military quality standards in DoD contracts. The rule revises the definition of "quality program"; replaces direct references to MIL-I-45208 and MIL-Q-9858 with references to higher-level quality requirements; and deletes Table 46-1, Contract Quality Requirements Guide.

##### **B. Regulatory Flexibility Act**

This interim rule may have a significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act, 5 U.S.C. 601, *et seq.*, because the rule encourages increased use of commercial quality standards. The rule will enable contractors to use a single quality system in their facilities, rather than maintaining duplicative commercial and military quality systems. This is expected to result in lower costs, as well as improved process capability, process controls, and product quality. An Initial Regulatory Flexibility Analysis (IRFA) has been prepared and may be obtained from the address stated herein. A copy of the IRFA has been submitted to the Chief Counsel for Advocacy of the Small Business Administration. Comments from small entities concerning the affected DFARS subparts will be considered in accordance with Section

610 of the Act. Such comments must be submitted separately and cite DFARS Case 95-D007 in correspondence.

##### **C. Paperwork Reduction Act**

The Paperwork Reduction Act does not apply because this interim rule does not impose any new information collection requirements which require the approval of OMB under 44 U.S.C. 3501, *et seq.*

##### **D. Determination to Issue an Interim Rule**

A determination has been made under the authority of the Secretary of Defense that compelling reasons exist to publish this interim rule prior to affording the public an opportunity to comment. This action is necessary to permit the Government and industry to realize, as soon as possible, the significant cost savings anticipated from allowing contractors to maintain a single quality system in their facilities. Comments received in response to the publication of this interim rule will be considered in formulating the final rule.

##### **List of Subjects in 48 CFR Part 246**

Government procurement.  
**Michele P. Peterson,**  
*Executive Editor, Defense Acquisition Regulations Council.*

Therefore, 48 CFR Part 246 is amended as follows:

1. The authority citation for 48 CFR Part 246 is revised to read as follows:

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

##### **PART 246—QUALITY ASSURANCE**

2. Section 246.101 is amended by revising the definition of "Quality program" to read as follows:

##### **246.101 Definitions.**

\* \* \* \* \*

*Quality program* is a program which is developed, planned, and managed to carry out cost-effectively all efforts to effect the quality of materials and services from concept exploration and definition through demonstration and validation, engineering and manufacturing development, production and deployment, and operations and support.

3. Section 246.102 is amended by adding a second sentence in paragraph (4) to read as follows:

##### **246.102 Policy.**

\* \* \* \* \*

(4) \* \* \* Contractor quality programs may be modeled on military, commercial, national, or international quality standards.

4. Section 246.202-3 is revised to read as follows:

##### **246.202-3 Higher-level contract quality requirements.**

(i) Higher-level contract quality requirements are used in addition to a standard inspection requirement.  
(ii) Higher-level contract quality requirements, including nongovernment quality system standards adopted to meet DoD needs, are listed in the DoD Index of Specifications and Standards.  
5. Section 246.204 is revised to read as follows:

##### **246.204 Application of criteria.**

When purchasing a commercial item, the technical, quality assurance, and contracting activities must work together to tailor contract quality requirements to—

(1) Eliminate or minimize special Government testing, quality control, and inspection requirements. Consider—

(i) The item's application;  
(ii) The cost objectives of the acquisition; and  
(iii) The item's reliability as established in the commercial market;

(2) Maximize use of the certificate of conformance consistent with FAR 46.504; and

(3) Provide for examination and acceptance at the most economical point (source or destination).

6. Section 246.704 is amended by revising paragraph (4) to read as follows:

##### **246.704 Authority for use of warranties.**

\* \* \* \* \*

(4) Supplies and services in fixed-price type contracts containing quality assurance provisions that reference higher-level contract quality requirements (see 246.202-3); or

\* \* \* \* \*

[FR Doc. 95-15252 Filed 6-26-95; 8:45 am]

BILLING CODE 5000-04-M

#### **DEPARTMENT OF TRANSPORTATION**

##### **National Highway Traffic Safety Administration**

##### **49 CFR Part 544**

[Docket No. 95-004; Notice 3]

RIN 2127-AE94

##### **Insurer Reporting Requirements; List of Insurers Required to File Reports**

**AGENCY:** National Highway Traffic Safety Administration (NHTSA), Department of Transportation (DOT).

**ACTION:** Final rule.

**SUMMARY:** In this final rule, NHTSA publishes an update to its list in