

contracts containing IT SINs. The analysis is as follows:

This Initial Regulatory Flexibility Analysis has been prepared consistent with the criteria of 5 U.S.C. 604.

1. Description of the reasons why action by the agency is being considered.

To implement section 211, Authorization for Acquisition of Information Technology by States and Local Governments through Federal Supply Schedules, of the E-Government Act of 2002 (Pub. L. 107-347). Section 211 amends section 502 of title 40, United States Code, to authorize the Administrator to provide for use by State or local governments of Federal Supply Schedules of the General Services Administration for automated data processing equipment (including firmware), software, supplies, support equipment, and services. The rule opens the Federal Supply Schedule 70 and Corporate Schedule contracts containing information technology (IT) Special Item Numbers (SINs), for use by other governmental entities to enhance intergovernmental cooperation.

2. Succinct statement of the objectives of, and legal basis for the interim rule.

The interim rule will implement section 211 of the E-Government Act of 2002 with the objective of opening the Federal Supply Schedule 70 and Corporate Schedule contracts containing IT SINs for use by other governmental entities to enhance intergovernmental cooperation. The goal of the new rule is to make "government" (considering all levels) more efficient by reducing duplication of effort and utilizing volume purchasing techniques for the acquisition of IT products and services.

3. Description of, and where feasible, estimate of the number of small entities to which the interim rule will apply.

The rule will affect large and small entities including small businesses, that are awarded Schedule 70 contracts and Corporate Schedule contracts containing IT SINs, under the GSA Federal Supply Schedule program; non-schedule contractors, including small businesses, contracting with State or local governments; and small governmental jurisdictions that will be eligible to place orders under Schedule 70 and Corporate Schedule contracts containing IT SINs. Approximately sixty-eight percent (2,300) of GSA Schedule 70 contractors are small businesses and approximately sixty-eight percent (125) of Corporate Schedule contractors are small businesses. All of those small business Schedule 70 contractors, and Corporate Schedule contractors, containing IT SINs will be allowed, at the schedule contractor's option, to accept orders from State and local governments. Obviously, the expanded authority to order from Schedule 70 and Corporate Schedule contracts containing IT SINs, could increase the sales of small business schedule contractors. It is difficult to identify the number of non-schedule small businesses that currently sell directly to State and local governments. The ability of governmental entities to use Schedule 70 and Corporate Schedule contracts containing IT SINs, may affect the competitive marketplace in which those small businesses operate. State and local

government agencies could realize lower prices on some products and services, less administrative burden and shortened procurement lead times. The rule does not affect or waive State or local government preference programs. Finally, small governmental jurisdictions will also be affected. The 50 states, 3139 counties, 19,365 incorporated municipalities, 30,386 minor subdivisions, 3,200 public housing authorities, 14,178 school districts, 1,625 public educational institutions of higher learning, and 550 Indian tribal governments would be among those affected if they chose to order from Schedule 70 and Corporate Schedule contracts containing IT SINs. Federal Supply Schedule contracts are negotiated as volume purchase agreements, with generally very favorable pricing. The ability of small governmental entities to order from Schedule 70 and associated Corporate Schedule contracts holds out the potential for significant cost savings for those organizations.

4. Description of projected reporting, recordkeeping, and other compliance requirements of the rule, including an estimate of the classes of small entities that will be subject to the requirement and the type of professional skills necessary for preparation of the report or record.

The interim rule makes changes in certain provisions or clauses in order to recognize the fact that authorized non-federal ordering activities may place orders under the contract. The Office of Management and Budget under the Paperwork Reduction Act has previously approved these clauses and the changes do not impact the information collection or recordkeeping requirements.

5. Identification, to the extent practicable, of all relevant Federal rules that may duplicate, overlap or conflict with the rule.

The interim rule does not duplicate, overlap, or conflict with any other Federal rules.

6. Description of any significant alternatives to the interim rule that accomplish the stated objectives of applicable statutes and that minimize any significant economic impact of the rule on small entities.

There are no practical alternatives that will accomplish the objective of this rule.

#### G. Paperwork Reduction Act

The new provision at GSAR 552.232-82, Contractor's Remittance (Payment) Address, contains an information collection requirement that is subject to the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*). The provision provides for the offeror to indicate the payment address to which checks should be mailed for payment of invoices and provides for the offeror to identify participating dealers and provide their addresses for receiving orders and payments on behalf of the contractor. This information is the same as is normally required in the commercial world and does not represent a Government-unique information collection. Therefore, the estimated

burden for this clause under the Paperwork Reduction Act is zero. GSA has a blanket approval under control number 3090-0250 from OMB for information collections with a zero burden estimate.

The new clause at GSAR 552.232-83, Contractor's Billing Responsibilities, contains a recordkeeping requirement that is subject to the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*). The clause provides for the contractor to require all dealers participating in the performance of the contract to agree to maintain certain records on sales made under the contract on behalf of the contractor. The records required are the same as those normally maintained by dealers in the commercial world and do not represent a Government-unique recordkeeping requirement. Therefore, the estimated burden for this clause under the Paperwork Reduction Act is zero. GSA has a blanket approval under control number 3090-0250 from OMB for information collections with a zero burden estimate.

The revised clause at GSAR 552.238-75, Price Reductions, contains an information collection requirement that is subject to the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*) that has previously been approved by the OMB under the Paperwork Reduction Act and assigned control number 3090-0235. The changes made to the clause by this rule do not have an impact on the information collection requirement, which was previously approved. Therefore, it has not been submitted to OMB for approval under the Act.

#### H. Determination To Issue an Interim Rule

A determination has been made under the authority of the Administrator of General Services that urgent and compelling reasons exist to promulgate this interim rule without prior opportunity for public comment. This action is necessary to implement Section 211 of the E-Government Act of 2002, signed by the President on December 17, 2002. This case was published for public comment as a proposed rule at 68 FR 3220, January 23, 2003, and resulting comments have been incorporated into the rule. GSA wishes to obtain public comments on the changes. Due to the statutory deadline, the rule is being issued as an interim rule rather than as a second proposed rule. Title IV, Section 402 of the Act directed that within 120 days, the Administrator of General Services implement the provision of the Act. However, pursuant to Public Law 98-577 and FAR 1.501, public comments received in response to this interim rule