

4. The impact of the rule on small business.

This rule was not subject to Office of Management and Budget review under Executive Order 12866, dated September 30, 1993.

B. Regulatory Flexibility Act

This 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.* DoD has prepared an initial regulatory flexibility analysis, which is summarized as follows:

This interim rule adds requirements for contractors to provide unique identification for all items delivered to DoD, through the use of item identification marking. In addition, the rule adds requirements for DoD contracts to provide for identification of the Government's acquisition cost of all items built or acquired by the contractor and subsequently delivered to DoD under the contract. This rule will facilitate DoD compliance with the Chief Financial Officers Act of 1990 (Pub. L. 101-576) and the financial reporting requirements imposed by the Federal Accounting Standards Advisory Board. The objective of the rule is to improve management of DoD assets. The rule does not duplicate, overlap, or conflict with any other Federal rules. There are no known significant alternatives that will enable DoD compliance with the Chief Financial Officers Act of 1990 and the Federal Accounting Standards Advisory Board reporting requirements.

C. Paperwork Reduction Act

The Paperwork Reduction Act does not apply because the rule does not impose any new information collection requirements that require the approval of the Office of Management and Budget 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 urgent and compelling reasons exist

to publish an interim rule prior to affording the public an opportunity to comment. DoD considers the implementation of unique identification—also known as UID, to be a strategic imperative, necessary to efficiently move supplies to warfighters. This interim rule adds requirements for contractors to uniquely mark items and to provide for identification of the Government's acquisition cost of items that are to be delivered to DoD. It will enhance logistics, contracting, and financial business transactions supporting U.S. and coalition troops. Through the new policy, DoD can consistently capture the value of items it buys, control these items during their use and combat counterfeiting of parts. It will further enable DoD to make appropriate entries into its property accountability, inventory, and financial management information systems toward achieving compliance with the Chief Financial Officers Act. DoD issued UID policy by memorandum dated July 29, 2003, requiring implementation by January 1, 2004. Immediate publication of this rule is essential to allow effective implementation of the policy by January 1, 2004. Comments received in response to this interim rule will be considered in the formation of the final rule.

List of Subjects in 48 CFR Parts 202, 204, 211, 212, 243, and 252

Government procurement.

Michele P. Peterson,
Executive Editor, Defense Acquisition Regulations Council.

■ Therefore, 48 CFR Parts 202, 204, 211, 212, 243, and 252 are amended as follows:

■ 1. The authority citation for 48 CFR Parts 202, 204, 211, 212, 243, and 252 continues to read as follows:

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

PART 202—DEFINITIONS OF WORDS AND TERMS

■ 2. Section 202.101 is amended by adding, in alphabetical order, a

definition of “Unique item identifier” to read as follows:

202.101 Definitions.

* * * * *

Unique item identifier means a set of data marked on items that is globally unique, unambiguous, and robust enough to ensure data information quality throughout life and to support multi-faceted business applications and users.

PART 204—ADMINISTRATIVE MATTERS

■ 3. Section 204.7104-1 is amended by revising paragraph (a)(3) to read as follows:

204.7104-1 Criteria for establishing.

* * * * *

(a) * * *

(3) Informational subline items shall be used to identify—

(i) Each accounting classification citation assigned to a single contract line item number when use of multiple citations is authorized (see 204.7103-1(a)(4)(ii)); and

(ii) The Government's acquisition cost of an item delivered under a contract when—

(A) The item requires a unique item identifier; and

(B) A separately priced contract line item or subline item is not practical.

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■ 4. Section 204.7104-2 is amended by adding paragraphs (e)(10) and (11) to read as follows:

204.7104-2 Numbering procedures.

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(e) * * *

(10) Subline items structured to capture the acquisition cost of spares that will require unique item identifiers (delivery schedule and fixed price are established for the lot of spares at the contract line item level).

Item No.	Supplies/service	Quantity	Unit	Unit price	Amount
0031	Spares for Torpedo MK 45 Mod 1	50	LOT	\$56,860.57	\$2,843,028.50
003101	Integrator Assy LD; Acq Cost: \$16,742.25	50	EA	NSP	
003102	Pulse Generator Assy LD; Acq Cost: \$8,357.56.	50	EA	NSP	
003103	Drive Shaft Assy LD; Acq Cost: \$6,365.12	50	EA	NSP	
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003116	Actual Panel Assy LD; Acq Cost: \$5,730.56 ...	50	EA	NSP	
003117	Pulse Decoder; Acq Cost: <\$5,000	50	EA	NSP	