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**DEPARTMENT OF DEFENSE**

**GENERAL SERVICES ADMINISTRATION**

**NATIONAL AERONAUTICS AND SPACE ADMINISTRATION**

**48 CFR Chapter 1**

[Docket No. FAR 2014-0052, Sequence No. 7]

**Federal Acquisition Regulation; Federal Acquisition  
Circular**

**2005-79; Small Entity Compliance Guide**

**AGENCIES:** Department of Defense (DoD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA).

**ACTION:** Small Entity Compliance Guide.

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**SUMMARY:** This document is issued under the joint authority of DOD, GSA, and NASA. This Small Entity Compliance Guide has been prepared in accordance with section 212 of the Small Business Regulatory Enforcement Fairness Act of 1996. It consists of a summary of the rules appearing in Federal Acquisition Circular (FAC) 2005-79, which amends the Federal Acquisition Regulation (FAR). An asterisk (\*) next to a rule indicates that a regulatory flexibility analysis has been prepared. Interested parties may obtain further information regarding these rules by referring to FAC 2005-79, which precedes this document. These documents are also available via the Internet at <http://www.regulations.gov>.

**DATES:** [Insert date of publication in the FEDERAL REGISTER.]

**FOR FURTHER INFORMATION CONTACT:** For clarification of content, contact the analyst whose name appears in the table below. Please cite FAC 2005-79 and the FAR case number. For information pertaining to status or publication schedules, contact the Regulatory Secretariat at 202-501-4755.

**Rules Listed in FAC 2005-79**

<u>Item</u>	<u>Subject</u>	<u>FAR Case</u>	<u>Analyst</u>
*I	Establishing a Minimum Wage for Contractors	2015-003	Loeb
II	Prohibition on Contracting with Inverted Domestic Corporations	2014-017	Jackson

**SUPPLEMENTARY INFORMATION:** Summaries for each FAR rule follow. For the actual revisions and/or amendments made by these rules, refer to the specific item numbers and subjects set forth in the documents following these item summaries. FAC 2005-79 amends the FAR as specified below:

**Item I—Establishing a Minimum Wage for Contractors (FAR Case 2015-003)**

DoD, GSA, and NASA are issuing an interim rule amending the FAR to implement Executive Order (E.O.) 13658 and a Department of Labor (DOL) final rule issued on October 7, 2014, both entitled Establishing a Minimum Wage

for Contractors. The interim rule establishes a new minimum wage for covered service and construction contracts of \$10.10 per hour, which will be adjusted annually, by the DOL. Contracting officers will include a clause in covered contracts and, if requested by the contractor and if appropriate, will adjust contract prices for the annual adjustments in the E.O. minimum wage. Contractors shall consider any subcontractor request, including requests by small businesses subcontractors, for a subcontract price adjustment due to the annual adjustment in the E.O. minimum wage.

**Item II—Prohibition on Contracting with Inverted Domestic Corporations (FAR Case 2014-017)**

This interim rule amends the provisions of the FAR that address the continuing Governmentwide statutory prohibition (in effect since fiscal year (FY) 2008) on the award of contracts using appropriated funds to any foreign incorporated entity that is an inverted domestic corporation (under section 835 of the Homeland Security Act of 2002, codified at 6 U.S.C. 395) or to any subsidiary of such entity. In particular, this rule amends FAR 9.108 to revise the FAR coverage, including the language of solicitation provisions and contract clauses, so that it more clearly reflects the ongoing, continuing nature of the

statutory prohibition on contracting with inverted domestic corporations and their subsidiaries.

This rule is not expected to have an effect on small business because this rule will only impact an offeror that is a foreign incorporated entity that is treated as an inverted domestic corporation and wants to do business with the Government. Small business concerns are unlikely to have been incorporated in the United States and then reincorporated in a tax haven.

**Dated:** December 5, 2014.

William Clark,  
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