



This document is scheduled to be published in the Federal Register on 12/15/2014 and available online at <http://federalregister.gov/a/2014-29139>, and on [FDsys.gov](http://FDsys.gov)

**DEPARTMENT OF DEFENSE**

**GENERAL SERVICES ADMINISTRATION**

**NATIONAL AERONAUTICS AND SPACE ADMINISTRATION**

**48 CFR Chapter 1**

[Docket No. FAR 2014-0051, Sequence No. 7]

**Federal Acquisition Regulation; Federal Acquisition  
Circular 2005-79; Introduction**

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

**ACTION:** Summary presentation of interim rules.

**SUMMARY:** This document summarizes the Federal Acquisition Regulation (FAR) rules agreed to by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) in this Federal Acquisition Circular (FAC) 2005-79. A companion document, the Small Entity Compliance Guide (SECG), follows this FAC. The FAC, including the SECG, is available via the Internet at <http://www.regulations.gov>.

**DATES:** For effective dates and comment dates see separate documents, which follow.

**FOR FURTHER INFORMATION CONTACT:** The analyst whose name appears in the table below in relation to the FAR case. Please cite FAC 2005-79 and the specific 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,  
Acting Director,  
Office of Government-wide  
Acquisition Policy,  
Office of Acquisition Policy,  
Office of Government-wide Policy.

Federal Acquisition Circular (FAC) 2005-79 is issued under the authority of the Secretary of Defense, the Administrator of General Services, and the Administrator for the National Aeronautics and Space Administration.

Unless otherwise specified, all Federal Acquisition Regulation (FAR) and other directive material contained in FAC 2005-79 is effective [*insert date of publication in the Federal Register*].

**Dated: December 4, 2014.**

**Richard Ginman,**  
Director, Defense Procurement  
and Acquisition Policy

**Dated: December 5, 2014.**

**Jeffrey A. Koses,**  
Senior Procurement Executive/Deputy CAO,  
Office of Acquisition Policy,  
U.S. General Services Administration.

**Dated: December 4, 2014.**

**Ronald A. Poussard,**  
Director, Contract and Grant Policy Division  
Office of Procurement  
National Aeronautics and Space Administration.

[BILLING CODE 6820-EP]

[FR Doc. 2014-29139 Filed 12/12/2014 at 8:45 am; Publication Date:  
12/15/2014]