

DEPARTMENT OF DEFENSE

GENERAL SERVICES
ADMINISTRATIONNATIONAL AERONAUTICS AND
SPACE ADMINISTRATION

48 CFR Parts 47 and 52

[FAR Case 98-603]

RIN 9000-AI28

**Federal Acquisition Regulation;
Contractor Liability for Loss of and/or
Damages to Household Goods**

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

ACTION: Withdrawal of proposed rule.

SUMMARY: The Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) are withdrawing a proposed rule published in the **Federal Register** on February 16, 1999 (64 FR 7736), under FAR case 98-603, Contractor Liability for Loss of and/or Damages to Household Goods. The rule proposed to amend the Federal Acquisition Regulation (FAR) to standardize the method of calculating contractor liability for loss of and/or damage to

shipments of household goods to conform to International Through Government Bill of Lading (ITGBL) procedures.

FOR FURTHER INFORMATION CONTACT: The FAR Secretariat, Room 4035, GS Building, Washington, DC 20405, (202) 501-4755, for information pertaining to status or publication schedules. For clarification of content, contact Ms. Linda Klein, Procurement Analyst, at (202) 501-3775. Please cite FAR case 98-603, Contractor Liability for Loss of and/or Damages to Household Goods; Withdrawal.

SUPPLEMENTARY INFORMATION:**A. Background**

The rule proposed to amend the clause at FAR 52.247-23 with regard to the method of calculating contractor liability for loss of and/or damage to shipments of household goods.

Presently, when contracting for the transportation of household goods, the contracting officer inserts the clause at 52.247-23, Contractor Liability for Loss of and/or Damage to Household Goods, in solicitations and contracts. This clause requires the contractor to indemnify the owner of the goods at a rate per pound determined to be appropriate to the specific situation. The Councils intended to provide standardization for liability on

shipments of household goods and a more equitable compensation for loss of individual items that conforms with commercial industry standards by calculating liability, as found in the ITGBL, at a rate of \$5.00 per pound times the total net shipment weight. Respondents to the **Federal Register** notice expressed several concerns with regard to the adoption of the increased liability to \$5.00 per pound. One major concern was whether this increased liability reflected a commercial industry standard. A second concern was that the proposed rule did not reflect a demonstrated benefit to the Government or industry. After review of the public comments, the Councils have decided to withdraw the proposed rule and retain the current clause at 52.247-23, Contractor Liability for Loss of and/or Damage to Household Goods, requiring the contractor to indemnify the owner of the goods at a rate per pound determined to be appropriate to the specific situation.

List of Subjects in 48 CFR Parts 47 and 52

Government procurement.

Dated: July 22, 1999.

Edward C. Loeb,

Director, Federal Acquisition Policy Division.
[FR Doc. 99-19251 Filed 7-27-99; 8:45 am]

BILLING CODE 6820-EP-P