For the reasons discussed in the preamble, the Federal Maritime Commission amends 46 CFR part 502 as follows:

PART 502—RULES OF PRACTICE AND PROCEDURE

■ 1. Revise the authority citation for part 502 to read as follows:

Authority: 5 U.S.C. 504, 551, 552, 553, 556(c), 559, 561–569, 571–584, 591–596; 18 U.S.C. 207; 28 U.S.C. 2112(a); 31 U.S.C. 9701; 46 U.S.C. 40103–40104, 40304, 40306, 40501–40503, 40701–40706, 41101–41109, 41301–41310, 44101–44106, 46105; 5 CFR part 2635.

■ 2. Amend § 502.62 by revising paragraphs (a)(3)(v) and (a)(4)(iii) and (iv) to read as follows:

§ 502.62 Private party complaints for formal adjudication.

(a) * * *

(3) * * *

(v) Shipping Act violation must be alleged. If the complaint fails to indicate the sections of the Act alleged to have been violated or clearly to state facts which support the allegations, the Commission may, on its own initiative, require the complaint to be amended to supply such further particulars as it deems necessary. If a complaint concerns charges assessed by a common carrier, includes the applicable bills of lading numbers and invoices, and alleges violation(s) of 46 U.S.C. 41104(a), 46 U.S.C. 41102, or both, the complaint or, if other violations are alleged, those portions of the complaint concerning charges assessed by a common carrier meeting these requirements, shall be considered a Charge Complaint under 46 U.S.C. 41310.

(4) * * *

(iii) A complaint seeking reparations under 46 U.S.C. 41301(a) must be filed within three years after the claim accrues. Notification to the Commission that such a complaint may or will be filed for the recovery of reparation will not constitute a filing within the applicable statutory period. There is no statute of limitations for a Charge Complaint; however, the disputed charge or fee must have been assessed after the Ocean Shipping Reform Act of 2022 (OSRA 2022) (Pub. L. 117–146) was enacted and became effective on June 16, 2022.

(iv) Civil penalties must not be requested in private party complaint proceedings. Civil penalties will not be awarded in a 46 U.S.C. 41301 complaint. In the event of a finding in a 46 U.S.C. 41310 Charge Complaint that a charge does not comply with 46 U.S.C. 41104(a) or 46 U.S.C. 41102 after submission to the Commission under 46 U.S.C. 41310(a), in accordance with 46 U.S.C. 41310(d), the Commission shall apply a civil penalty under 46 U.S.C. 41107 to the common carrier making such charge.

* * * * *

■ 3. Revise § 502.301 to read as follows:

§ 502.301 Statement of policy.

(a) *Complaints.* Section 41301 of title 46 of the United States Code permits any person to file a complaint with the Commission claiming a violation occurring in connection with the foreign commerce of the United States and to seek reparation for any injury caused by that violation.

(b) *Charge complaints.* Section 41310 of title 46 of the United States Code permits any person to submit information concerning complaints about charges assessed by a common carrier, so long as the submission includes the applicable bills of lading numbers and invoices, and alleges violations of 46 U.S.C. 41104(a), 46 U.S.C. 41102, or both. Such complaints may seek a refund of the charges assessed.

(c) *Small claims.* With the consent of both parties, claims filed under this subpart in the amount of $50,000 or less will be decided by a Small Claims Officer appointed by the Federal Maritime Commission's Chief Administrative Law Judge, without the necessity of formal proceedings under the rules of this part. Civil penalties are paid directly to the General Fund of the U.S. Treasury, are not part of the claim, and do not have any impact of the $50,000 limit. Authority to issue decisions under this subpart is delegated to the appointed Small Claims Officer.

(d) *Finality.* Determination of claims under this subpart shall be administratively final and conclusive.

■ 4. Amend § 502.302 by revising paragraph (a) to read as follows:

§ 502.302 Limitations of actions.

(a) Claims alleging violations of 46 U.S.C. subtitle IV (''the Shipping Act'') must be filed within three years from the time the cause of action accrues to obtain reparations, but claims concerning complaints about charges under 46 U.S.C. 41310 are not subject to the three-year limitation period.

* * * * *

For the Commission.

David Eng,

Secretary.

[FR Doc. 2026–17876 Filed 8–31–26; 8:45 am]

BILLING CODE 6730–02–P

OFFICE OF MANAGEMENT AND BUDGET

Office of Federal Procurement Policy

48 CFR Part 9903

RIN 0348–AB85

Increase of Monetary Thresholds and Other Matters Related to Cost Accounting Standards Program Requirements

AGENCY: Cost Accounting Standards Board, Office of Federal Procurement Policy. Office of Management and Budget.

ACTION: Final rule.

SUMMARY: The Office of Management and Budget (OMB), Cost Accounting Standards Board (Board), is publishing a final rule to increase the Cost Accounting Standards (CAS) thresholds and agency waiver authority, and issue clarifications on application of the CAS thresholds and exemptions to indefinite delivery contracts (IDCs).

DATES: Effective October 1, 2026.

FOR FURTHER INFORMATION CONTACT: John L. McClung, Manager, Cost Accounting Standards Board (telephone: 202–881–9758; email: *OMBCASB@omb.eop.gov.*).

SUPPLEMENTARY INFORMATION:

I. Background

On March 20, 2026, the Board published a notice of proposed rulemaking (NPRM) (91 FR 13559) to solicit views on the Board's provisional conclusions regarding increases to the CAS thresholds and agency waiver authority, and proposed clarifications on applying the CAS thresholds and exemptions to indefinite delivery contracts (IDCs).

The Board received nine sets of public comments to the NPRM: five from industry associations, two from individual contractors, one from a consulting firm, and one from an individual. Comments strongly supported the Board's proposed actions and the deregulatory nature of the NPRM. Although comments did not provide information to quantify the impact of this final rule, all comments strongly supported the qualitative aspects noted in the NPRM: reduced compliance costs, simplified CAS administration for existing contractors, and reduced barriers to entry for nontraditional contractors, new entrants, and mid-size entities who no longer qualify for a full exemption from CAS as small businesses. Specific comments and discussion, as applicable, are detailed in the sections below. This final rule reflects input from the public, as well as research conducted by the Board. This final rule is issued by the Board in accordance with the requirements of 41 U.S.C. 1502.

II. Regulatory Thresholds

a. Overview and Conclusion

This final rule raises the thresholds for full CAS coverage and Disclosure Statement requirements from the current $50 million to $100 million. This final rule also eliminates the exemption at CAS 9903.202–1(c)(ii) which currently exempts a Disclosure Statement from a segment if during the most recently completed cost accounting period the segment's CAS-covered awards are less than 30 percent of total segment sales for the period and less than $10 million. As a result of the higher thresholds this exemption is no longer necessary.

Based on public comments this final rule further revises 9903.202–1(b)(2) to more clearly state that a Disclosure Statement is required only for segments or business units that independently meet the applicable thresholds for full CAS coverage. As a result, the Board is also removing CAS 9903.202–1(c) in its entirety as it is no longer necessary with the additional clarity provided in 9903.202–1(b)(2) as suggested by public comments.

Based on public comments this final rule further amends 9903.201–2 (b) to provide a mechanism for determining eligibility for modified coverage for new solicitations and awards for contractors or subcontractors currently subject to full coverage that would not otherwise be subject to full coverage at the new $100 million threshold. This requires that the contractor or subcontractor has no unresolved CAS noncompliances.

As detailed in the NPRM, the Board's analysis estimated these changes will result in a substantial reduction of burden and lower the barrier to entry with a minimal loss in the total dollars currently subject to full coverage and Disclosure Statement requirements.

b. Summary of Public Comments on Regulatory Thresholds

Comments strongly supported the Board's provisional conclusions in the NPRM to raise the regulatory thresholds and eliminate the exemption at CAS 9903.202–1(c)(ii). Comments raising additional issues are as follows:

Comment: A number of comments requested additional improvements to the proposed language covering Disclosure Statement requirements. While these comments offered varying alternatives, they identified similar opportunities for the Board to further streamline and provide greater clarity on applying the Disclosure Statement requirements for entities with multiple CAS reporting segments. For example, as one comment explained,

> The current requirements to aggregate total company CAS covered awards in 9903.202–1(b)(2) and then to separately assess applicability at the business unit (or segment) level in 9903.202–1(c) creates an unnecessary step and causes confusion in determining whether a Disclosure Statement is required for each business unit. In the spirit of streamlining and simplifying regulatory requirements and reducing administrative burden, we recommend eliminating the total company threshold and implementing the threshold at the business unit level to align the threshold to the filing requirement.

The comment recommended revising the current language at 9903.202–1(b)(2) to more clearly state that a Disclosure Statement is required only for segments or business units that independently meet the applicable thresholds for full CAS coverage. With this clarification they further recommended deleting CAS 9903–202–1(c) in its entirety as it is no longer necessary with the recommended changes in section 9903.202–1(b)(2).

Response: The Board concurs this creates an unnecessary step and may cause confusion in determining whether a Disclosure Statement is required for each business unit. The Board has incorporated this recommendation in the final rule as noted above.

Comment: Multiple commenters recommended the Board consider issuing transition guidance related to the application of the new thresholds considering the potential implications for full versus modified CAS coverage. For example, as one commenter theorized; if a contractor is performing a $50 million contract subject to full CAS coverage under the current thresholds with no other CAS-covered awards and receives a $40 million CAS-covered award under the new thresholds it would be subject to full coverage. In this scenario, the new award itself is not over $100 million and taken together with the existing contract the awards are not over $100 million; however, because the contractor had an award subject to full CAS coverage under the prior thresholds, any new award between $35 million and $100 million (not otherwise exempt from CAS) would be subject to full CAS coverage due to the requirements at 9903.201–2(b)(2).

Comments also contend that to fully realize the deregulatory intent, the Board should ensure a level playing field for ''mid-tier'' firms. This would allow existing contractors otherwise eligible for modified coverage to receive the same benefit as a new entrant or other entity currently not subject to CAS if they are competing for an award that would qualify for modified CAS coverage. Without a transition mechanism, a number of existing contractors will face a significant competitive disadvantage against new entrants who benefit from the higher $100 million threshold immediately.

Response: The Board appreciates the concerns raised and generally agrees such a mechanism is desirable and in the spirit of the Board's deregulatory actions. However, the Board believes this needs to be contingent on a contractor currently being in a compliant status. As such, the Board has provided added coverage in 9903.202–1(b) to provide this with the requirement that the contractor or subcontractor has no outstanding CAS noncompliances. In addition, the Board expects contractors will continue to follow their existing practices as they comply with CAS. As such, any current or future cost accounting practice changes related to the transition from full CAS coverage to modified CAS coverage would be considered unilateral and subject to the contract price adjustment requirements.

Comment: Comments generally supported the use of the Unique Entity Identifier (UEI) as a proxy for a covered segment for the purpose of analyzing the potential impact of the regulatory changes contemplated in the NPRM. However, comments raised concerns that there may not always be a one-to-one relationship between a CAS segment and a UEI. These comments urged the Board to clarify it was not changing the CAS definition of a segment.

Response: The NPRM did not propose to change, nor is the final rule changing the definition of a CAS segment contained in CAS regulations. The Board appreciates the concerns raised by the public and will continue to evaluate how changes in other statutory requirements, technology, and the business environment impact CAS program requirements. If the Board determines further changes are necessary to the definitions and application of CAS program requirements they will be made through subsequent rulemaking.

III. Statutory Thresholds

a. Overview and Conclusion

As detailed in the NPRM, OMB developed a legislative proposal to decouple the basic CAS monetary threshold from the Truthful Cost or Pricing Data statute, and raise it to a stated dollar amount of $35 million. The proposal also eliminated the $7.5 million trigger contract threshold as it would no longer be necessary with a higher applicability threshold. The proposal was transmitted to Congress in June of 2025 for consideration in the 2026 National Defense Authorization Act (NDAA). As discussed in the NPRM the Board's analysis estimated these changes would reduce the number of CAS-covered business segments by approximately 60 percent, while still maintaining over 90 percent of the current dollars subject to CAS coverage. Section 1806 of the 2026 NDAA fully codified the OMB legislative proposal, and this final rule revises 9903.201–1 CAS applicability to implement these changes.

Based on public comments this final rule also modifies the three statutory CAS exemptions at 9903.201–1(b) to align them with the amendments made by Section 1806(d) of the 2026 NDAA. Section 1806(d) added language to the three statutory CAS exemptions in 41 U.S.C. 1502 to make them applicable to portions of contracts and subcontracts. These changes address contract arrangements that include multiple contract types (*i.e.,* hybrid contracts).

b. Summary of Public Comments

Comments strongly supported OMB's legislative proposal and the Board's provisional conclusions in the NPRM to raise the statutory thresholds as a result of the 2026 NDAA codification of the OMB proposal. A number of comments related to additional provisions of the 2026 NDAA were made as follows:

Comment: Commenters pointed out that the proposed rule did not address other CAS related provisions included in the 2026 NDAA. Specifically changes to the contract price adjustments requirements in 41 U.S.C. 1503, and the Section 1806(d) amendments to the statutory exemptions to accommodate hybrid contract arrangements.

Response: The Board recognizes the importance of the remaining 2026 NDAA provisions. The Board has updated the statutory exemptions included 9903.201–1(b) to align them with the 2026 NDAA revisions to apply those exemptions to portions of contracts and subcontracts (*i.e.,* hybrids). However, attempting to incorporate the complex issues related to the contract price adjustments requirements in 41 U.S.C. 1503 would require additional notice and comment. As noted in its July 2, 2025 notice of agenda topics, (90 FR 29048) the Board has already begun review of contract price adjustments requirements and has established a separate case which will incorporate the direction provided in the 2026 NDAA.

IV. Agency Head Waiver Authority

a. Overview and Conclusion

CAS 9903.201–5 currently provides the head of an executive agency the authority to waive CAS on their own for contracts valued up to $15 million without seeking approval from the Board, but they must notify the Board of the waiver. This final rule raises this threshold to $100 million. This increase implements changes made to 41 U.S.C. 1502(b)(3) by Section 820 of the 2017 NDAA.

b. Summary of Public Comments

Comments strongly supported the Board updating its regulations to accurately reflect the increased waiver authority for the head of an executive agency as a result of the 2017 NDAA change.

V. Application of CAS to Indefinite Delivery Contracts

a. Overview and Conclusion

Indefinite delivery contracts (IDCs) are contracts where work is awarded through the placement of individual task and delivery orders as requirements arise, with a minimum guaranteed order value and a ceiling amount reflecting the maximum total value of orders that can be placed under the contract. They include the Federal Supply Schedule (FSS) program and government-wide acquisition contracts (GWACs). Obligations under the FSSs and GWACs are tracked separately from other task and delivery order contracts in the Federal Procurement Data System (FPDS).

As detailed in the NPRM, analysis of FPDS data indicates the use of IDCs has continued to increase in both size and as a percentage of overall contract obligations. Although there is a statutory preference to award IDCs to multiple contractors, they may also be awarded to a single contractor. The prevalence of obligations on task and delivery orders against IDCs awarded to a single contractor has also increased, reaching $262 billion in Fiscal Year (FY) 2024. This represented over one-third of all contract obligations in FY2024. Preliminary data for FY 2025 indicated a similar dispersion of contract obligations.

The Board has concluded that, unlike multiple-award IDCs, the information required to determine CAS exemptions and consistently apply CAS to single-award IDCs is available at the time of award of the single-award IDC. For these reasons, this final rule amends 9903.202–1 to make clear that application of CAS to multiple-award IDCs including all exemptions is determined at the task or delivery order level. For multiple-award IDCs CAS would apply only to those individual task or delivery orders whose values meet the monetary threshold for CAS coverage and do not qualify for another CAS exemption.

This final rule also amends 9903.202–1 to make clear that application of CAS applicability to single-award IDCs is determined at the time of award of the IDC using the ceiling value to assess if the monetary threshold has been met. Based on input from public comments, this final rule adds additional language to clarify that a single-award IDC can be exempt if the entire IDC meets one of the other exemptions in 9903.202–1(b) (*i.e.,* the IDC is awarded to a small business, the IDC only provides for orders of commercial products or commercial services, or the IDC only allows for orders that are firm-fixed-price and the IDC was awarded on the basis of adequate price competition without the submission of certified cost or pricing data).

This final rule is consistent with the criteria the Board identified for evaluating alternatives: it helps each contract party manage risk; it is expected to reduce regulatory burden, and promote competition by minimizing complexity and providing guidance that is clear and straightforward. Having a clear and predictable rule promotes consistency in the application of CAS and avoids friction and disputes. Public comments did not provide any additional alternatives or criteria for the Board to consider.

b. Summary of Public Comments

Comments strongly supported the Board's provisional conclusions in the NPRM to apply CAS exemptions at the task or delivery order level for multiple-award IDCs. However, comments did not support the Board's provisional conclusions in the NPRM to apply CAS exemptions at the IDC level for single-award IDCs. Comments preferred that CAS applicability for all IDCs should be determined at the task or delivery order level as proposed by the Board for multiple-award IDCs. Although the Board was not persuaded by these comments, it appreciates the breadth and depth of responses. Illustrative examples of concerns raised are discussed in further detail below.

Comment: Some comments argue that the Board's proposed approach of treating single-award IDCs differently than multiple-award IDCs creates inconsistencies. Some further posit the approach is contradictory to the purpose of the CAS exemptions themselves, which are meant to reduce the administrative burden on low-risk acquisitions. Others declared this approach creates inequity in the treatment of single-award and multiple-award IDCs.

Response: The Board does not consider the approach as inconsistent or creating inequities. Single-award and multiple-award IDCs are inherently different. Task or delivery orders awarded under each type of IDC are awarded under different circumstances and present differentiated levels of risk. Single-award IDCs establish a long-term relationship without maintaining competition for task or delivery orders. Single-award IDCs increase the potential for vendor lock-in, further reducing competition and creating risk to the Government. This type of transaction creates higher risk, not lower risk as some comments suggested.

Comment: Some comments theorized the Board's proposed approach of determining CAS applicability differently for single-award IDCs could result in applying CAS to transactions that would otherwise be exempt such as commercial products and commercial services. One comment postulated that the application of CAS at the IDC level could result in the application of CAS to tasks or delivery orders that would be exempt if these same task or delivery orders were issued under a multiple-award IDC or nearly all other contract scenarios. Another comment declared the Board's proposed approach of determining CAS applicability differently for single-award IDCs would result in application of CAS to fixed-price contracts.

Response: The Board appreciates the concerns raised associated with unique hybrid contract arrangements. As noted above, the Board is addressing the application of CAS to hybrid contracts through this rulemaking. In addition, the Board has added additional language to clarify that an entire single-award IDC could be exempt under certain circumstances.

Comment: A number of comments suggested the Board delay issuance of a final rule, and conduct additional data analysis related to single-award IDCs. This point was part of their overall objection to the Board's proposed approach for single-award IDCs, and concerns that in some cases the cumulative value of task or delivery orders on single-award IDCs may not reach or could fall well below the ceiling value. For example, it would be possible for a $35 million single-award IDC to receive less than $35 million in tasks or delivery orders. Similarly, a $100 million single-award IDC could receive less than $100 million in tasks or delivery orders.

Response: The Board recognizes the potential exists for cases as those described by comments and has carefully considered the likelihood of these scenarios in both the NPRM and this final rule. These scenarios under single-award IDCs are similar to the risk under definitive contracts that may, in some cases, not have all options exercised. The Board believes the risk, similar to most regulations applying thresholds, is amplified at or near the threshold. However, the Board believes this risk decreases at higher values and is mitigated as a result of the increased thresholds finalized in this rule. The Board's analysis also indicated that most of the entities receiving single-award IDCs would otherwise be subject to CAS based on definitive awards, which further mitigates this risk. The Board appreciates the willingness of the industry associations to engage with their members to collect, aggregate, and provide the Board with actual data. This would be particularly beneficial for subcontracts where currently the government-wide data is limited. Lastly, the Board notes that this final rule does not preclude the Board from conducting further analysis or additional rulemaking in the future as the impact of the threshold increases take effect and additional information becomes available or is provided to the Board.

VI. Expected Impact of the Rule

This final rule is deregulatory, reduces compliance costs, simplifies CAS administration for existing contractors, and reduces barriers to entry for nontraditional contractors, including new mid-size entities who no longer qualify for a full exemption from CAS as small businesses. This final rule increases the basic CAS applicability threshold from the current $2.5 million to $35 million, and eliminates the $7.5 million trigger contract concept. This simplifies the determination of CAS applicability while dramatically lowering barriers to entry on larger value contracts. Larger contract values will attract additional private investment into the federal contracting marketplace and increase competition as a result of the higher point of entry without the need to establish more sophisticated compliance regimes required to comply with CAS requirements.

This final rule further reduces the CAS regulatory footprint by doubling the thresholds for full CAS coverage and Disclosure Statement requirements from $50 million to $100 million. This significantly reduce compliance burden and lowers barriers to entry into the federal marketplace. The Board analyzed FPDS data for the five-year period covering FYs 2020 through 2024 and estimates there have been 773 entities subject to full coverage and Disclosure Statement requirements with aggregate total contract values during the period of $1.22 trillion. Applying the finalized threshold of $100 million to the data set estimates a reduction in the number of entities to 564 while maintaining $1.21 trillion of the dollars. This represents a nearly 30 percent reduction in entities that would be subject to full CAS coverage and Disclosure Statement reporting with a less than one percent loss of the dollars currently subject to these requirements. The higher threshold for full coverage reduces the barriers to entry for nontraditional contractors including contractors that have outgrown their small business size status and no longer qualify for a full exemption from CAS as small businesses as they may be more willing to compete for larger contracts only subject to modified coverage.

This final rule codifies needed clarity on applying the CAS thresholds and exemptions to IDCs. Having a clear rule avoids unnecessary ambiguity, friction and contract disputes. Determining CAS applicability for multiple-award IDCs at the task or delivery order ensure CAS is not overapplied to lower-risk transactions. Similarly, determining CAS applicability for single-award IDCs at the IDC level ensures CAS is not underapplied to higher-risk transactions. This lowers barriers to entry into the federal marketplace as potential offerors now have clarity on whether or not they will be subject to CAS and, if covered, whether full or modified.

The changes addressed in this final rule, both individually and in conjunction with the Board's ongoing broader CAS to GAAP conformance efforts simplifies CAS administration and reduces barriers to entry for nontraditional contractors including new mid-size entities who no longer qualify as small businesses. These actions are expected to increase competition in federal contracting.

VII. Regulatory Flexibility Act

CAS Board rules do not impact small entities within the meaning of the Regulatory Flexibility Act 5 U.S.C. 601–612. Contracts and subcontracts with small business concerns are exempted from all CAS requirements.

VIII. Executive Orders 12866, 13563 and 14192

Executive Orders (E.O.s) 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits. E.O. 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This rule is not a significant regulatory action under E.O. 12866, Regulatory Planning and Review, dated September 30, 1993. This rule is a deregulatory action under E.O. 14192 based on the discussion in the ''Expected Impact of the Rule'' section.

IX. Paperwork Reduction Act

The Paperwork Reduction Act, Public Law 96–511, does not apply to this final rule, because this rule imposes no paperwork burden on offerors, affected contractors and subcontractors, or members of the public which requires the approval of OMB under 44 U.S. U.S.C. 3501, *et seq.*

List of Subjects in 48 CFR 9903

Government procurement, Cost accounting standards.

Kevin R. Rhodes,

Administrator, Office of Federal Procurement Policy, and Chair, Cost Accounting Standards Board.

For the reasons set forth in the preamble, the Office of Management and Budget is amending Chapter 99 of Title 48 of the Code of Federal Regulations as set forth below:

PART 9903—CONTRACT COVERAGE

■ 1. The authority citation for part 9903 continues to read as follows:

Authority: Pub. L. 111–350, 124 Stat. 3677, 41 U.S.C. 1502.

■ 2. Amend section 9903.201–1 by revising paragraph (b) and adding paragraph (c) to read as follows:

9903.201–1 CAS applicability.

* * * * *

(b) The following categories of contracts and subcontracts are exempt from all CAS requirements:

(1) Sealed bid contracts.

(2) Negotiated contracts and subcontracts not in excess of $35 million. For purposes of this paragraph (b)(2), an order issued by one segment to another segment shall be treated as a subcontract.

(3) Contracts and subcontracts with small businesses.

(4) Contracts and subcontracts with foreign governments or their agents or instrumentalities or, insofar as the requirements of CAS other than 9904.401 and 9904.402 are concerned, any contract or subcontract awarded to a foreign concern.

(5) Contracts and subcontracts (or the portion of a contract or subcontract) in which the price is set by law or regulation.

(6) Contracts and subcontracts (or the portion of a contract or subcontract) for the acquisition of commercial products or commercial services.

(7) Subcontractors under the NATO PHM Ship program to be performed outside the United States by a foreign concern.

(8) Firm-fixed-price contracts or subcontracts (or the portion of a contract or subcontract) awarded on the basis of adequate price competition without submission of certified cost or pricing data.

(c) Application of paragraph (b) exemptions to indefinite delivery contracts shall be determined as follows:

(1) Multiple-award indefinite delivery contracts. The exemptions listed in paragraph (b) shall be determined at the time of award of any individual task or delivery order, and shall use the ceiling value of the individual task or deliver order to determine if the monetary threshold in (b)(2) has been met.

(2) Single-award indefinite delivery contracts. The exemptions listed in paragraph (b) shall be determined at the time of award of the indefinite delivery contract, and shall use the ceiling value of the indefinite delivery contract to determine if the monetary threshold in (b)(2) has been met. An entire single-award indefinite delivery contract is exempt if it only provides for the ordering of commercial products or commercial services, or only provides for ordering on a firm-fixed-price basis and the indefinite delivery contract was awarded on the basis of adequate price competition without the submission of certified cost or pricing data.

■ 3. Amend section 9903.201–2 by:

■ a. Removing ''$50 million'', wherever it appears, and adding, in its place, the text ''$100 million''; and

■ b. Adding paragraphs (b)(4) and (5).

The additions read as follows

9903.201–2 Types of CAS coverage.

* * * * *

(b) * * *

(4) Contractors or subcontractors subject to full CAS coverage based on the $50 million threshold in effect prior to *October 1, 2026* may transition the affected contracts or subcontracts to modified coverage at the start of the business unit's next full cost accounting period beginning on or after *October 1, 2026,* provided the business unit:

(i) Has no unresolved CAS noncompliances; and

(ii) Does not meet the criteria for full CAS coverage using the $100 million threshold in effect as of *October 1, 2026.*

(5) Contractors or subcontractors eligible for modified coverage based on the criteria in paragraph (b)(4) of this section may use this status for determining and certifying eligibility for modified coverage for new solicitations and awards on or after October 1, 2026.

9903.201–3 [Amended]

■ 4. Section 9903.201–3 is amended by removing ''$50 million'', wherever it appears, and adding, in its place, the text ''$100 million''.

9903.201–4 [Amended]

■ 5. Section 9903.201–4 is amended by removing ''$50 million'', wherever it appears, and adding, in its place, the text ''$100 million''.

9903.201–5 [Amended]

■ 6. Section 9903.201–5 is amended in paragraph (a) by removing ''$15 million'', and adding, in its place, the text ''$100 million''.

9903.202–1 [Amended]

■ 7. Section 9903.202–1 is amended by:

■ a. Removing ''$50 million'', wherever it appears, and adding, in its place, the text ''$100 million'';

■ b. In paragraph (b)(2) removing the text ''Any company which, together with its segments,'', and adding, in its place, the text ''Any business unit or segment,''.

■ c. Removing and reserving paragraph (c).

[FR Doc. 2026–17901 Filed 8–31–26; 8:45 am]

BILLING CODE 3110–01–P