



Millennium Challenge Corporation
Contracts and Grants Management Division
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MEMORANDUM

Date: November 14, 2025

From: Jonathan C. Hamlet
Managing Director & Senior Procurement Executive
Contracts and Grants Management Division
Department of Administration and Finance
Millennium Challenge Corporation

To: MCC Contracts and Grants Management Division Staff

Subject: Class Deviation to Implement the FAR Revisions Parts 47 *Transportation* and 52 *Solicitation Provisions and Contract Clauses* Issued on September 25, 2025

Findings

On April 15, 2025, President Trump signed the [Executive Order \(E.O.\) 14275, “Restoring Common Sense to Federal Procurement”](#) to reform the Federal Acquisition Regulation (FAR). This E.O. further advances the intent of the [E.O. 14192, “Unleashing Prosperity Through Deregulation,”](#) signed on January 31, 2025, which established that the policy of the executive branch is to be prudent and financially responsible in the expenditure of funds and to alleviate unnecessary regulatory burdens placed on the American people.

The E.O. orders the Administrator of the Office of Federal Public Procurement Policy (OFPP), in coordination with the other members of the Federal Acquisition Regulatory Council (FAR Council), the heads of agencies, and appropriate senior acquisition and procurement officials from agencies to amend the FAR to ensure that it contains only provisions that are required by statute or that are otherwise necessary to support simplicity and usability, strengthen the efficacy of the procurement system, or protect economic or national security interests. This project is referred to as the Revolutionary FAR Overhaul (RFO) initiative.

On May 2, 2025, the Office of Management and Budget (OMB) released its memo M-25-26 “Overhauling the Federal Acquisition Regulation” that directs all agencies to “Generally issue individual or class deviations to implement the FAR Council’s deregulated coverage within 30 days after the Council releases its model deviation text. Provide copies of class deviations to the FAR Secretariat at gsaregsec@gsa.gov for public posting on Acquisition.gov.”

On September 25, 2025, the FAR Council issued completed revisions for [FAR Part 47](#) and [FAR Part 52](#) clause. The RFO FAR Part 47 model deviation text addresses the transportation policies and procedures applicable to the procurement of supplies.

This part addresses the policies applied to transportation, including terms of art that when applied to a contract directly impact the roles and responsibilities of the contract.

The part has been comprehensively revised to improve clarity, consolidate policies, and eliminate outdated requirements. These changes, including the removal of 33 clauses, will streamline the procurement process. Commercial transportation remains the preferred shipping method.

Statutory requirements retained in the RFO FAR Part 47 model deviation include, but are not limited to, the following:

- 10 U.S.C. § 2631, Preference for United States Vessels in Transporting Supplies by Sea
- 22 U.S.C. § 2353, Shipping on United States Vessels
- 46 U.S.C. § 55305, Cargoes Procured, Furnished, or Financed by the United States Government
- 49 U.S.C. § 10721 and § 13712, Interstate Commerce Act
- 49 U.S.C. § 40118, Government-Financed Air Transportation

Other key changes include:

Retained:

- All subparts are retained, reorganized, and streamlined to improve flow and remove procedural guidance.
 - Subpart 47.1 – General
 - Subpart 47.2 - Contracts for Transportation or for Transportation-Related Services
 - Subpart 47.3 - Transportation in Supply Contracts
 - Subpart 47.4 - Air Transportation by U.S.-Flag Carriers
 - Subpart 47.5 - Ocean Transportation by U.S.-Flag Vessels
- Information that guides the part such as the “Scope of Part,” “Definitions,” “Applicability,” and “Policies” are retained and streamlined (see 47.000 through 47.101).
- Section 47.104, “Government Rate Tenders Under Sections 10721 and 13712 of the Interstate Commerce Act (49 U.S.C. 10721 and 13712),” and its subsections, are retained with plain language edits, as they provide guidance on how to implement the statute.
- The following provisions and clauses are retained (or remain reserved) with no changes to text:
 - 52.247-1 Commercial Bill of Lading Notations
 - 52.247-2 Permits, Authorities, or Franchises
 - 52.247-5 Familiarization With Conditions
 - 52.247-8 Estimated Weights or Quantities Not Guaranteed
 - 52.247-10 Net Weight—General Freight
 - 52.247-11 Net Weight—Household Goods or Office Furniture
 - 52.247-13 Accessorial Services—Moving Contracts
 - 52.247-15 Contractor Responsibility for Loading and Unloading
 - 52.247-17 Charges
 - 52.247-18 Multiple Shipments
 - 52.247-19 Stopping in Transit for Partial Unloading
 - 52.247-21 Contractor Liability for Personal Injury and/or Property Damage
 - 52.247-22 Contractor Liability for Loss of and/or Damage to Freight Other Than Household Goods

- 52.247-23 Contractor Liability for Loss of and/or Damage to Household Goods
- 52.247-29 F.O.B. Origin
- 52.247-30 F.O.B. Origin, Contractor's Facility
- 52.247-31 F.O.B. Origin, Freight Allowed
- 52.247-32 F.O.B. Origin, Freight Prepaid
- 52.247-33 F.O.B. Origin, With Differentials
- 52.247-34 F.O.B. Destination
- 52.247-35 F.O.B. Destination, Within Consignee's Premises
- 52.247-36 F.A.S. Vessel, Port of Shipment
- 52.247-37 F.O.B. Vessel, Port of Shipment
- 52.247-38 F.O.B. Inland Carrier, Point of Exportation
- 52.247-39 F.O.B. Inland Point, Country of Importation
- 52.247-48 F.O.B. Destination—Evidence of Shipment
- 52.247-53 Freight Classification Description
- 52.247-54 remains reserved
- 52.247-56 Transit Arrangements
- 52.247-58 Loading, Blocking, and Bracing of Freight Car Shipments
- 52.247-63 Preference for U.S.-Flag Air Carriers
- 52.247-67 Submission of Transportation Documents for Audit
- 52.247-68 Report of Shipment (REPSHIP)
- 52.247-69 Reporting Requirement for U.S.-Flag Air Carriers Regarding Training to Prevent Human Trafficking

Updated:

- Section 47.102, "Transportation Insurance," is deleted and marked reserved. Content is expected to be moved to the FAR Companion.
- Section 47.103-1, addressing "Transportation Payment and Audit Regulation," is updated from five paragraphs that detailed where and how to send paid freight bills to the General Services Administration (GSA) for audit, to a single sentence that states the statutory requirement for a prepayment audit program and directs users to 41 CFR part 102-118 for details.
- Section 47.105, "Transportation Assistance," is deleted and marked reserved. Content is expected to be moved to the FAR Companion.
- 47.301-2, "Participation of Transportation Officers," is deleted and marked reserved. Content is expected to be moved to the FAR Companion.
- In subsections 47.303-1 through 47.303-11, paragraph (b) of each subsection, titled "Contractor Responsibilities," is moved to the corresponding contract clause.
- The following clauses are updated. Updates are primarily for clarity and cross-referencing corrections.
 - 52.247-52 Clearance and Documentation Requirements— Shipments to DOD Air or Water Terminal Transshipment Points
 - 52.247-64 Preference for Privately Owned U.S.-Flag Commercial Vessels

Removed:

- The following sections were deleted because the content was duplicative of general service contracting principles already established in other parts of the FAR or other regulations:
 - 47.202, "Presolicitation Planning"

- 47.205, “Availability of Term Contracts and Basic Ordering Agreements for Transportation or for Transportation-related Services”
- 47.206, “Preparation of Solicitations and Contracts”
- 47.207-2, “Duration of Contract and Time of Performance”
- 47.207-10, “Discrepancies Incident to Shipments”
- Subsections 47.303-12 through 47.303-17 are deleted as they are unnecessary. The subsections defined the following terms:
 - Ex dock, pier, or warehouse, port of importation
 - C.& F. destination
 - C.I.F. destination
 - F.O.B. designated air carrier's terminal, point of exportation
 - F.O.B. designated air carrier's terminal, point of importation
 - Contractor-prepaid commercial bills of lading, small package shipments
- The following provisions and clauses are removed as they are not required by statute or essential to sound procurement:
 - 52.247-3 Capability to Perform a Contract for the Relocation of a Federal Office
 - 52.247-4 Inspection of Shipping and Receiving Facilities
 - 52.247-6 Financial Statement
 - 52.247-7 Freight Excluded
 - 52.247-9 Agreed Weight—General Freight
 - 52.247-12 Supervision, Labor, or Materials
 - 52.247-14 Contractor Responsibility for Receipt of Shipment
 - 52.247-16 Contractor Responsibility for Returning Undelivered Freight
 - 52.247-20 Estimated Quantities or Weights for Evaluation of Offers
 - 52.247-24 Advance Notification by the Government
 - 52.247-25 Government-Furnished Equipment With or Without Operators
 - 52.247-26 Government Direction and Marking
 - 52.247-27 Contract Not Affected by Oral Agreement
 - 52.247-28 Contractor's Invoices
 - 52.247-40 Ex Dock, Pier, or Warehouse, Port of Importation
 - 52.247-41 C.& F. Destination
 - 52.247-42 C.I.F. Destination
 - 52.247-43 F.O.B. Designated Air Carrier's Terminal, Point of Exportation
 - 52.247-44 F.O.B. Designated Air Carrier's Terminal, Point of Importation
 - 52.247-45 F.O.B. Origin and/or F.o.b. Destination Evaluation
 - 52.247-46 Shipping Point(s) Used in Evaluation of F.O.B. Origin Offers
 - 52.247-47 Evaluation—F.O.B. Origin
 - 52.247-49 Destination Unknown
 - 52.247-50 No Evaluation of Transportation Costs
 - 52.247-51 Evaluation of Export Offers
 - 52.247-55 F.O.B. Point for Delivery of Government-Furnished Property
 - 52.247-57 Transportation Transit Privilege Credits
 - 52.247-59 F.O.B. Origin—Carload and Truckload Shipments
 - 52.247-60 Guaranteed Shipping Characteristics
 - 52.247-61 F.O.B. Origin—Minimum Size of Shipments
 - 52.247-62 Specific Quantities Unknown
 - 52.247-65 F.O.B. Origin, Prepaid Freight—Small Package Shipments
 - 52.247-66 Returnable Cylinders

Determination

To fully comply with the President's E.O.s and the revised FAR Parts 47 and 52, MCC shall follow the [RFO Part 47 model deviation text](#) instead of FAR Part 47 as codified at 48 CFR Chapter 47 and replace the relevant [RFO Part 52 model deviation clause](#) instead of the FAR Part 52 clause as codified at 48 CFR Chapter 52. The FAR Council's RFO Parts 47 and 52 model deviation texts are available at [Acquisition.gov](#), under the "[FAR Overhaul](#)" link.

This deviation applies to all solicitations and new contracts as of November 14, 2025. This deviation does not apply to contracts signed and executed on or before November 13, 2025.

Approval

In accordance with RFO FAR 1.304 *Class deviations*, MCC Contracts Operating Manual (COM) 1.305-3 *Contracts and Grants Management Division MD/SPE*, and the OMB memo M-25-26, the RFO Part 47 model deviation text and the RFO Part 52 model deviation clause are hereby approved effective as of November 14, 2025 for use by all MCC Contracting Officers until final implementation of the FAR update or rescission of this Memo by the SPE. Additional instructions related to this Memo may be issued by the Senior Procurement Executive, Deputy Managing Director, and the Supervisory Procurement Analyst of the MCC CGM Division on an *ad hoc* basis.

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Attachments

OMB Memo M-25-26 *Overhauling the Federal Acquisition Regulation*