

Subpart 225.4 - TRADE AGREEMENTS

Parent topic: [Part 225 - FOREIGN ACQUISITION](#)

225.401 Exceptions.

(a)(2)(A) If a department or agency considers an individual acquisition of a product to be indispensable for national security or national defense purposes and appropriate for exclusion from the provisions of FAR subpart 25.4, it may submit a request with supporting rationale to the Principal Director, Defense Pricing and Contracting (DPC), Office of the Under Secretary of Defense (Acquisition and Sustainment) (OUSD(A&S)DPC). Approval by OUSD(A&S)DPC is not required if—

(1) Purchase from foreign sources is restricted by statute (see Subpart 225.70);

(2) Another exception in FAR 25.401 applies to the acquisition; or

(3) Competition from foreign sources is restricted under subpart 225.71.

(B) Public interest exceptions for certain countries when acquiring products or services in support of operations in Afghanistan are in [225.7704-1](#) .

225.401-70 End products subject to trade agreements.

Acquisitions of end products in the following product service groups (PSGs) are covered by trade agreements if the value of the acquisition is at or above the applicable trade agreement threshold and no exception applies. If an end product is not in one of the listed groups, the trade agreements do not apply. The definition of Caribbean Basin country end products in FAR 25.003 excludes those end products that are not eligible for duty-free treatment under 19 U.S.C. 2703(b). Therefore certain watches, watch parts, and luggage from certain Caribbean Basin countries are not eligible products. However, [225.003](#) expands the definition of Caribbean Basin country end products to include petroleum and any product derived from petroleum, in accordance with Section 8094 of Pub. L. 103-139.

PSG	Category/Description
22	Railway equipment
23	Motor vehicles, trailers, and cycles (except 2305, 2350, and buses under 2310)
24	Tractors
25	Vehicular equipment components

- 26 Tires and tubes
- 29 Engine accessories
- 30 Mechanical power transmission equipment
- 32 Woodworking machinery and equipment
- 34 Metalworking machinery
- 35 Service and trade equipment
- 36 Special industry machinery (except 3690)
- 37 Agricultural machinery and equipment
- 38 Construction, mining, excavating, and highway maintenance equipment
- 39 Materials handling equipment
- 40 Rope, cable, chain, and fittings
- 41 Refrigeration, air conditioning, and air circulating equipment
- 42 Fire fighting, rescue, and safety equipment; and environmental protection equipment and materials
- 43 Pumps and compressors
- 44 Furnace, steam plant, and drying equipment (except 4470)
- 45 Plumbing, heating, and waste disposal equipment
- 46 Water purification and sewage treatment equipment
- 47 Pipe, tubing, hose, and fittings
- 48 Valves
- 49 Maintenance and repair shop equipment (except 4920-4927, 4931-4935, 4960, 4970)

- 53 Hardware and abrasives
- 54 Prefabricated structures and scaffolding
- 55 Lumber, millwork, plywood, and veneer
- 56 Construction and building materials
- 61 Electric wire, and power and distribution equipment
- 62 Lighting fixtures and lamps
- 63 Alarm, signal and security detection systems
- 65 Medical, dental, and veterinary equipment and supplies
- 66 Instruments and laboratory equipment (except aircraft clocks under 6645) - See FAR 25.003 exclusion of certain watches and watch parts for certain Caribbean Basin countries
- 67 Photographic equipment
- 68 Chemicals and chemical products
- 69 Training aids and devices
- 70 Automatic data processing equipment (including firmware), software, supplies and support equipment
- 71 Furniture
- 72 Household and commercial furnishings and appliances
- 73 Food preparation and serving equipment
- 74 Office machines, text processing systems and visible record equipment
- 75 Office supplies and devices
- 76 Books, maps, and other publications

- 77 Musical instruments, phonographs, and home-type radios
- 78 Recreational and athletic equipment
- 79 Cleaning equipment and supplies
- 80 Brushes, paints, sealers, and adhesives
- 81 Containers, packaging, and packing supplies (except 8140)
- 83 Pins, needles, and sewing kits (only part of 8315) and flagstuffs, flagpoles, and flagstaff trucks (only part of 8345)
- 84 Luggage (only 8460) - See FAR 25.003 for exclusion of luggage for Caribbean Basin countries
- 85 Toiletries
- 87 Agricultural supplies
- 88 Live animals
- 89 Tobacco products (only 8975)
- 91 Fuels, lubricants, oils, and waxes
- 93 Nonmetallic fabricated materials
- 94 Nonmetallic crude materials
- 96 Ores, minerals, and their primary products
- 99 Miscellaneous

225.401-71 Products or services in support of operations in Afghanistan.

When acquiring products or services, other than small arms, in support of operations in Afghanistan if using a procedure specified in [225.7703-1](#) (a) (2) or (3), the procedures of subpart 25.4 are not applicable.

225.402 General.

To estimate the value of the acquisition, use the total estimated value of end products covered by trade agreements (see [225.401-70](#)).

225.403 World Trade Organization Government Procurement Agreement and Free Trade Agreements.

(c) For acquisitions of supplies covered by the World Trade Organization Government Procurement Agreement, acquire only U.S.-made, qualifying country, or designated country end products unless—

(i) The contracting officer determines that offers of U.S.-made, qualifying country, or designated country end products from responsive, responsible offerors are either—

(A) Not received; or

(B) Insufficient to fill the Government's requirements. In this case, accept all responsive, responsible offers of U.S.-made, qualifying country, and eligible products before accepting any other offers;

(ii) A national interest waiver under 19 U.S.C. 2512(b)(2) is granted on a case-by-case basis. Except as delegated in paragraphs (c)(i)(A) and (B) of this section, submit any request for a national interest waiver to the Principal Director, Defense Pricing and Contracting in accordance with department or agency procedures. Include supporting rationale with the request.

(A) The head of the contracting activity may approve a national interest waiver for a purchase by an overseas purchasing activity, if the waiver is supported by a written statement from the requiring activity that the products being acquired are critical for the support of U.S. forces stationed abroad.

(B) The Commander or Director, Defense Energy Support Center, may approve national interest waivers for purchases of fuel for use by U.S. forces overseas; or

(iii) The acquisition is in support of operations in Afghanistan (see [225.7704-1](#)).

225.408 Procedures.

(a)(4) The requirements of FAR 25.408(a)(4), on submission of offers in U.S. dollars, do not apply to overseas acquisitions or to Defense Energy Support Center post, camp, or station overseas requirements.