CLASS DEVIATION FINDINGS AND DETERMINATION FEDERAL ACQUISITION REGULATION (FAR) REGARDING NEW TRADE AGREEMENTS THRESHOLDS

Findings

1. The Civilian Agency Acquisition Council (CAAC) issued CAAC Letter 2024-03 on December 22, 2023, authorizing agencies to issue class deviations to implement the CAAC Letter that addresses New Trade Agreements Thresholds. The Federal Acquisition Regulation (FAR) Council intends to open a new FAR case to implement the changes to the Trade Agreements Thresholds.

2. Approximately every two years the trade agreements thresholds for the World Trade Organization Government Procurement Agreement (WTO GPA) and the free trade agreements (FTAs) are adjusted according to predetermined formulae under these agreements. On December 8, 2023 (88 FR 85718), the United States Trade Representative (USTR) published new procurement thresholds. The new thresholds are effective as of January 1, 2024. FAR Case 2023-012, Trade Agreements Thresholds, will be implementing the new threshold changes, but will not be published before January 1, 2024. The new thresholds provided by USTR do not work with the FAR framework for our prescriptions and clause alternates. The prescriptions and alternates are being revised to accommodate the new thresholds (see the Attachment). Until the new thresholds have been implemented in the FAR, agencies are authorized to issue a class deviation to make the new thresholds effective as of January 1, 2024.

3. CAAC letter 2024-03 constitutes consultation in accordance with FAR 1.404 with the Chair of the CAAC allowing agencies to authorize a class deviation to implement the changes.

Determination

It is hereby determined that a class deviation (using the FAR Deviation text included in CAAC Letter 2024-03) is appropriate to implement the CAAC Letter. This class deviation is effective upon the date of signature and will remain in effect until canceled or until the FAR is amended.

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Effective Date: January 1, 2024

Attachment: CAAC Letter 2024-03 with FAR Deviation text