

## APPENDIX D

## Duty Free Entry — Qualifying Country End Products and Supplies

## DFARS 252.225-7008

A The requirements of this clause apply to this contract and subcontracts, which term includes purchase orders, that involve supplies to be accorded duty-free entry, whether:

- 1) placed directly with a foreign concern as a prime contract; or
- 2) as a subcontract or purchase order under a contract placed with a domestic concern.

B Except as otherwise approved by the Contracting Officer, no amount is or will be included in the contract price on account of duty with respect to:

- 1) all end items which constitute "qualifying country end products" (as defined in DoD FAR Supplement 225.001) to be delivered under this contract; and
- 2) all supplies (including, without limitation, raw materials, components and intermediate assemblies) produced or made in qualifying countries, which are to be incorporated in the end items to be delivered under this contract; *Provided* that such end items are manufactured in the United States or in a qualifying country, except supplies imported into the United States prior to the date of this contract or, in the case of supplies imported by a first- or lower-tier subcontractor hereunder, prior to the date of the subcontract.

C Unless the Contracting Officer otherwise agrees, duty-free entry certificates will not be furnished under fixed-price contracts which were based on supplying a domestic end item or component unless the Contractor agrees to negotiate an appropriate reduction in contract price if the Contractor, subsequent to award, decides to furnish a qualifying country end product or component.

D The Contractor warrants that all such qualifying country supplies, for which duty-free entry is to be claimed, are intended to be delivered to the Government or incorporated in the end items to be delivered under this contract and that duty shall be paid by the Contractor to the extent that such supplies, or any portion thereof (if not scrap or salvage) are diverted to nongovernmental use other than as a result of a competitive sale made, directed, or authorized by the Contracting Officer.

E The Government agrees to execute duty-free entry certificates and to afford such assistance as appropriate in order to obtain the duty-free entry of qualifying country end products as to which the shipping documents bear the notation specified in paragraph F below, except as the Contractor may otherwise agree.

F All shipping documents submitted to Customs, covering foreign end products or supplies for which duty-free entry certificates are to be issued in accordance with this clause, shall:

- 1) consign the shipments to:
  - (i) the appropriate Military Department in care of the particular Contractor, including the Contractor's delivery address, or
  - (ii) the appropriate military installation; and
- 2) bear the following information:
  - (i) prime contract number plus delivery order, if applicable;
  - (ii) number of the subcontract/purchase order for foreign if applicable;
  - (iii) identification of carrier;
  - (iv) the notation: "UNITED STATES GOVERNMENT, DEPARTMENT OF DEFENSE Duty-Free Entry to be claimed pursuant to Item No. 9808.00.30, Tariff Schedules of the United States. Upon arrival of shipment at the appropriate port of entry, District Director of Customs, please release shipment under 19 CFR 142 and notify Commander, Defense Contract Administration Services Region (DCASR), New York, ATTN: Customs Function, 201 Varick Street, New York, New York 10014, for execution of Customs Forms 7501, 7501A or 7506 and any required duty-free entry certificates." (Note: The above notation shall be used only for direct shipment to a U.S. military installation. In cases where the shipment will be consigned to other than a military installation, e.g., a domestic contractor's plant, the shipping document notation shall be altered to insert the name and address of the contractor, agent or broker who will notify Commander, Defense Contract Administration Services Region (DCASR), New York, for execution of the duty-free entry certificates.)
  - (v) gross weight in pounds (if freight is based on space tonnage, state cubic feet in addition to gross shipping weight);
  - (vi) estimated value in U.S. dollars; and
  - (viii) Activity Address Number of the Contract Administration Office (CAO) actually administering the prime contract, e.g., for DCASMA Dayton, DLA8DP.