



**DEFENSE LOGISTICS AGENCY  
HEADQUARTERS  
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IN REPLY  
REFER TO

MMPPP  
PROCLTR 97-05

FEB 12 1997

MEMORANDUM FOR PROCLTR DISTRIBUTION LIST

SUBJECT: Metalworking Machinery - Trade Agreements

The attached memorandum from the Director, Defense Procurement, provides revised DFARS coverage extending Trade Agreements Act applicability to all products in Federal Supply Group 34.

This PROCLTR is effective immediately and expires upon publication of this change in a Defense Acquisition Circular or one year from its issue date, whichever occurs first. Hal Hermann (MMPPP) DSN 427-1354, is POC for this action.

Attachment

  
ROBERT L. MOLINO  
Executive Director  
(Procurement)



ACQUISITION AND  
TECHNOLOGY

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON  
WASHINGTON DC 20301-3000

January 17, 1997

DP (DAR)

In reply refer to  
DFARS Case: 96-D030  
D. L. 97-005

MEMORANDUM FOR DIRECTORS OF DEFENSE AGENCIES  
DEPUTY FOR ACQUISITION AND BUSINESS MANAGEMENT,  
ASN(RD&A)/ABM  
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE  
(CONTRACTING), SAF/AQC  
DIRECTOR, PROCUREMENT POLICY, ASA(RD&A)/SARD-PP  
DEPUTY DIRECTOR (ACQUISITION), DEFENSE LOGISTICS  
AGENCY

SUBJECT: Metalworking Machinery - Trade Agreements

We have amended the Defense Federal Acquisition Regulation Supplement (DFARS) Subpart 225.403-70, to reflect expiration on October 1, 1996, of the restriction on machine tools in 10 U.S.C. 2534. Departmental Letter 96-331 deleted implementation of the machine tool restriction at DFARS 225.7004 and associated clauses 252.225-7017 and 252.225-7040. This final rule makes all metalworking machinery products in Federal Supply Group 34 subject to trade agreements acts, by removing the exception for those machine tools which were previously restricted by 10 U.S.C. 2534.

The attached final DFARS rule is effective immediately and will be included in a future Defense Acquisition Circular.

  
Eleanor R. Spector  
Director, Defense Procurement

Attachment

cc: DSMC, Ft. Belvoir



JAN 23 1997

**DFARS Case 96-D030  
Metalworking Machinery - Trade Agreements  
Final Rule**

**PART 225—FOREIGN ACQUISITION**

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**SUBPART 225.4—Trade Agreements**

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**225.403-70 Products subject to trade agreement acts.**  
Foreign end products subject to the Trade Agreements Act and NAFTA are those in the following Federal supply groups (FSG). If a product is not in one of the listed groups, the Trade Agreements Act and NAFTA do not apply. The definition of Caribbean Basin country end products in FAR 25.401 excludes those end products which are not eligible for duty-free treatment under 19 U.S.C. 2703(b). However, 225.401 expands the definition of Caribbean Basin country end products to include petroleum and any product derived from petroleum. The list of products has been annotated to indicate those products which are eligible for designated and NAFTA countries, but are not presently eligible for Caribbean Basin countries.

**FSG Category/Description**

- 22 Railway equipment
- 23 Motor vehicles, trailers, and cycles (except 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 (~~except 3408, 3410-3419, 3426, 3433, 3441-3443, 3446, 3448, 3449, 3460, 3461~~)

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