

Regulatory Flexibility Act. The changes in procedures for evaluation of duty will result in a paperwork burden reduction for both large and small businesses, but the economic impact will not be significant.

C. Paperwork Reduction Act

This rule does not impose any new information collection requirements that require the approval of the Office of Management and Budget under 44 U.S.C. 3501, *et seq.* The information collection requirements in the rule are currently approved by the Office of Management and Budget under Control Number 0704-0187. Elimination of the provision at 252.225-7003, Information for Duty-Free Entry Evaluation, will result in a reduction of 21,451 hours in estimated annual burden.

List of Subjects in 48 CFR Parts 206, 208, 212, 225, 242, and 252

Government procurement.

Michele P. Peterson,

Executive Editor, Defense Acquisition Regulations Council.

■ Therefore, 48 CFR Parts 206, 208, 212, 225, 242, and 252 are amended as follows:

■ 1. The authority citation for 48 CFR Parts 206, 208, 212, 225, 242, and 252 continues to read as follows:

Authority: 41 U.S.C. 421 and 48 CFR Chapter 1.

PART 206—COMPETITION REQUIREMENTS

■ 2. Section 206.303-1 is amended by adding paragraph (d) to read as follows:

206.303-1 Requirements.

* * * * *

(d) The Director of Defense Procurement and Acquisition Policy, Office of the Under Secretary of Defense (Acquisition, Technology, and Logistics), is the agency point of contact for submission of justifications to the Office of the United States Trade Representative.

PART 208—REQUIRED SOURCES OF SUPPLIES AND SERVICES

3. Section 208.7203 is amended by revising paragraph (c) to read as follows:

208.7203 Authority.

* * * * *

(c) Acquisition of items restricted under 225.7005 and Subpart 225.71.

* * * * *

PART 212—ACQUISITION OF COMMERCIAL ITEMS 212.301 [Amended]

■ 4. Section 212.301 is amended by removing paragraph (f)(vi) and redesignating paragraph (f)(vii) as paragraph (f)(vi).

PART 225—FOREIGN ACQUISITION

■ 5. Sections 225.000, 225.001, and 225.003 are revised to read as follows:

225.000 Scope of part.

This part also provides policy and procedures for—

- (1) Purchasing foreign defense supplies, services, and construction materials with special procedures for—
 - (i) Contracting with Canadian and other qualifying country sources; and
 - (ii) Cooperative projects;
- (2) Implementing statutory and policy restrictions on foreign acquisition;
- (3) Reporting contract performance outside the United States;
- (4) Foreign military sales acquisitions; and
- (5) Antiterrorism/force protection for defense contractors outside the United States.

225.001 General.

When evaluating offers of foreign end products, consider the following:

- (1) *Statutory or policy restrictions.*
 - (i) Determine whether the product is restricted by—
 - (A) Statute (see Subpart 225.70); or
 - (B) DoD policy (see Subpart 225.71 and FAR 6.302-3).
 - (ii) If an exception to or waiver of a restriction in Subpart 225.70 or 225.71 would result in award of a foreign end product, apply the policies and procedures of the Buy American Act or the Balance of Payments Program, and, if applicable, the trade agreements.
- (2) *Memoranda of understanding or other international agreements.* Determine whether the offered product is the product of one of the qualifying countries listed in 225.872-1.
- (3) *Trade agreements.* If the product is not an eligible product, a qualifying country end product, or a U.S.-made end product, purchase of the foreign end product may be prohibited (see FAR 25.403(c) and 225.403(c)).
- (4) *Other trade sanctions and prohibited sources.*
 - (i) Determine whether the offeror complies with the secondary Arab boycott of Israel. Award to such offerors may be prohibited (see 225.670).
 - (ii) Determine whether the offeror is a prohibited source (see Subpart 225.7).
- (5) *Buy American Act and Balance of Payments Program.* See the evaluation procedures in Subpart 225.5.

225.003 Definitions.

As used in this part—

- (1) *Caribbean Basin country end product* includes petroleum or any product derived from petroleum.
- (2) *Defense equipment* means any equipment, item of supply, component, or end product purchased by DoD.
- (3) *Domestic concern* means—
 - (i) A concern incorporated in the United States (including a subsidiary that is incorporated in the United States, even if the parent corporation is a foreign concern; or
 - (ii) An unincorporated concern having its principal place of business in the United States.
- (4) *Domestic end product* has the meaning given in the clauses at 252.225-7001, Buy American Act and Balance of Payments Program; and 252.225-7036, Buy American Act—North American Free Trade Agreement Implementation Act—Balance of Payments Program, instead of the meaning in FAR 25.003.
- (5) *Eligible product* means, instead of the definition in FAR 25.003, a designated, NAFTA, or Caribbean Basin country end product in the categories listed in 225.401-70.
- (6) *Foreign concern* means any concern other than a domestic concern.
- (7) *Nonqualifying country* means a country other than the United States or a qualifying country.
- (8) *Nonqualifying country component* means a component mined, produced, or manufactured in a nonqualifying country.
- (9) *Qualifying country* means a country with a memorandum of understanding or international agreement with the United States. Qualifying countries are listed in 225.872-1.
- (10) *Qualifying country component and qualifying country end product* are defined in the clauses at 252.225-7001, Buy American Act and Balance of Payments Program; and 252.225-7036, Buy American Act—North American Free Trade Agreement Implementation Act—Balance of Payments Program. *Qualifying country end product* is also defined in the clause at 252.225-7021, Trade Agreements.
- (11) *Qualifying country offer* means an offer of a qualifying country end product, including the price of transportation to destination.
- (12) *Source*, when restricted by words such as foreign, domestic, or qualifying country, means the actual manufacturer or producer of the end product or component.

■ 6. Subpart 225.1 is revised to read as follows: