225.401 Exceptions.

(a)(2) 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 Director of Defense Procurement and Acquisition Policy (OUSD(AT&L)DPAP). Approval by OUSD(AT&L)DPAP is not required if:

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

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

(C) Competition from foreign sources is restricted under Subpart 225.71.

225.401-70 End products subject to trade agreements.

Acquisitions of end products in the following Federal supply groups (FSG) 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.

<table>
<thead>
<tr>
<th>FSG</th>
<th>Category/Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>22</td>
<td>Railway equipment</td>
</tr>
<tr>
<td>23</td>
<td>Motor vehicles, trailers, and cycles (except 2350 and buses under 2310)</td>
</tr>
<tr>
<td>24</td>
<td>Tractors</td>
</tr>
<tr>
<td>25</td>
<td>Vehicular equipment components</td>
</tr>
<tr>
<td>26</td>
<td>Tires and tubes</td>
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<tr>
<td>29</td>
<td>Engine accessories</td>
</tr>
<tr>
<td>30</td>
<td>Mechanical power transmission equipment</td>
</tr>
<tr>
<td>32</td>
<td>Woodworking machinery and equipment</td>
</tr>
<tr>
<td>34</td>
<td>Metalworking machinery</td>
</tr>
<tr>
<td>35</td>
<td>Service and trade equipment</td>
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<tr>
<td>36</td>
<td>Special industry machinery (except 3690)</td>
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<tr>
<td>37</td>
<td>Agricultural machinery and equipment</td>
</tr>
<tr>
<td>38</td>
<td>Construction, mining, excavating, and highway maintenance equipment</td>
</tr>
<tr>
<td>39</td>
<td>Materials handling equipment</td>
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<tr>
<td>40</td>
<td>Rope, cable, chain and fittings</td>
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<tr>
<td>41</td>
<td>Refrigeration and air conditioning equipment</td>
</tr>
<tr>
<td>42</td>
<td>Fire fighting, rescue and safety equipment</td>
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<tr>
<td>43</td>
<td>Pumps and compressors</td>
</tr>
<tr>
<td>44</td>
<td>Furnace, steam plant and drying equipment (except 4470)</td>
</tr>
</tbody>
</table>
45 Plumbing, heating, and sanitation equipment
46 Water purification and sewage treatment equipment
47 Piping, tubing, hose, and fitting
48 Valves
49 Maintenance and repair shop equipment (except 4920-4927, 4931-4935, 4960)
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 and signal 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 General purpose ADPE, software, supplies, and support equipment
71 Furniture
72 Household and commercial furnishings and appliances
73 Food preparation and serving equipment
74 Office machines, visible record equipment and ADP 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 flag staffs, 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, 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 Iraq or Afghanistan.
When acquiring products or services, other than small arms, in support of operations in Iraq or Afghanistan using a procedure specified in 225.7703-1(a), the purchase restriction at FAR 25.403(c) does not apply with regard to products or services from Iraq.

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; or

(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 Director of Defense Procurement and Acquisition Policy 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.

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.