PGI 225.9 -CUSTOMS AND DUTIES

Parent topic: PGI Part 225 - INTERNATIONAL ACQUISITION

PGI 225.902 Procedures.

(1) Formal entry and release.

(i) The administrative contracting officer shall—

(A) Ensure that contractors are aware of and understand any Duty-Free Entry clause requirements. Contractors should understand that failure by them or their subcontractors to provide the data required by the clause will result in treatment of the shipment as without benefit of free entry under Section XXII, Chapter 98, Subchapter VIII, Item 9808.00.30 of the Harmonized Tariff Schedule of the United States.

(B) Upon receipt of the required notice of purchase of foreign supplies from the contractor or any tier subcontractor—

(*1*) Verify the duty-free entitlement of supplies entering under the contract; and

(*2*) Review the prime contract to ensure that performance of the contract requires the foreign supplies (quantity and price) identified in the notice.

(C) Within 20 days after receiving the notification of purchase of foreign supplies, forward the following information in the format indicated to the Commander, DCMA New York, ATTN: Customs Team, DCMAE-GNTF, 201 Varick Street, Room 905C, New York, NY 10014:

> We have received a contractor notification of the purchase of foreign supplies. I have verified that foreign supplies are required for the performance of the contract.
>
> Prime Contractor Name and Address:
> Prime Contractor CAGE Code:
> Prime Contract Number plus Delivery Order Number, if applicable:
> Total Dollar Value of the Prime Contract or Delivery Order:
> Expiration Date of the Prime Contract or Delivery Order:
> Foreign Supplier Name and Address:
> Number of Subcontract/Purchase Order for Foreign Supplies:
> Total Dollar Value of the Subcontract for Foreign Supplies:
> Expiration Date of the Subcontract for Foreign Supplies:
> CAO Activity Address Number:
> ACO Name and Telephone Number:
> ACO Code:
> Signature:
> Title:

(D) If a contract modification results in a change to any data verifying duty-free entitlement previously furnished, forward a revised notification including the changed data to DCMA New York.

(ii) The Customs Team, DCMAE-GNTF, DCMA New York—

(A) Is responsible for issuing duty-free entry certificates for foreign supplies purchased under a DoD contract or subcontract; and

(B) Upon receipt of import documentation for incoming shipments from the contractor, its agent, or the U.S. Customs Service, will verify the duty-free entitlement and execute the duty-free entry certificate.

(iii) Upon arrival of foreign supplies at ports of entry, the consignee, generally the contractor or its agent (import broker) for shipments to other than a military installation, will file U.S. Customs Form 7501, 7501A, or 7506, with the District Director of Customs.

(2) Immediate entry and release. Importations made in the name of a DoD military facility or shipped directly to a military facility are entitled to release under the immediate delivery procedure.

(i) A DoD immediate delivery application has been approved and is on file at Customs Headquarters.

(ii) The application is for an indefinite period and is good for all Customs districts, areas, and ports.

PGI 225.903 Exempted supplies.

(b)(i) The term “supplies”—

(A) Includes—

(*1*) Articles known as “stores,” such as food, medicines, and toiletries; and

(*2*) All consumable articles necessary and appropriate for the propulsion, operation, and maintenance of the vessel or aircraft, such as fuel, oil, gasoline, grease, paint, cleansing compounds, solvents, wiping rags, and polishes; and

(B) Does not include portable articles necessary and appropriate for the navigation, operation, or maintenance of the vessel or aircraft and for the comfort and safety of the persons on board, such as rope, bolts and nuts, bedding, china and cutlery, which are included in the term “equipment.”

(ii) Format for duty-free certificate.

(Date) _____

I certify that the acquisition of this material constituted a purchase of supplies by the United States for vessels or aircraft operated by the United States, and is admissible free of duty pursuant to 19 U.S.C. 1309.

(Name) _____

(Title) _____

(Organization) _____