



Homeland Security

MEMORANDUM FOR: Heads of Contracting Activities
PAUL R
FROM: Paul Courtney COURTNEY
Chief Procurement Officer
SUBJECT: Federal Acquisition Regulation Class Deviation (Number 24-03) –
New Trade Agreement Thresholds

Digitally signed by PAUL
R COURTNEY
Date: 2024.01.09
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Purpose: This class deviation is issued in accordance with Federal Acquisition Regulation (FAR) 1.404. The purpose of this deviation is to implement the new trade agreement thresholds that took effect on January 1, 2024.

Effective Date: This deviation is effective on the date of signature.

Background: On December 22, 2023, the Civilian Agency Acquisition Council (CAAC) issued CAAC Letter 2024-03, Civilian Agency Acquisition Council (CAAC) Consultation to Issue a Class Deviation from the Federal Acquisition Regulation (FAR) Regarding New Trade Agreements Thresholds. Approximately every two years the trade agreements thresholds for the World Trade Organization Government Procurement Agreement and the free trade agreements (FTAs) are adjusted according to predetermined formulae under these agreements. On December 8, 2023 (88 FR 85718), the United States Trade Representative (USTR) published new procurement thresholds. The new thresholds are effective as of January 1, 2024. FAR Case 2023-012, Trade Agreements Thresholds, will be implementing the new threshold changes, but will not be published before January 1, 2024, because the new thresholds provided by USTR do not work with the FAR framework for prescriptions and clause alternates. CAAC Letter 2024-03 serves as consultation to agencies in accordance with FAR 1.404 and authorizes agencies to issue a class deviation to implement the new trade agreements thresholds.

Requirement: Effective immediately, contracting officers shall comply with Attachment 1, FAR Deviation Text.

Applicability: This class deviation applies to all solicitations and contracts (see definition of contract at FAR 2.101).

Expiration: This class deviation will remain in effect until it is incorporated into the FAR or is otherwise rescinded.

Attachments:

- Attachment 1 – FAR Deviation Text
- Attachment 2 – CAAC Letter 2024-03

Additional Information: Questions or comments about this class deviation may be directed to Shaundra Ford via email to Shaundra.Ford@hq.dhs.gov.

Baseline is through FAC 2024-01 effective November 14, 2023.

Additions are shown as **[bolded and bracketed]** and deletions are shown as ~~struck through~~.
FAR Text unchanged shown as asterisks.

PART 22—APPLICATION OF LABOR LAWS TO GOVERNMENT ACQUISITIONS

* * * * *

**Subpart 22.15 - Prohibition of Acquisition of Products Produced by Forced or Indentured
Child Labor**

* * * * *

**22.1503 Procedures for acquiring end products on the List of Products Requiring
Contractor Certification as to Forced or Indentured Child Labor.**

* * * * *

(b) The requirements of this subpart that result from the appearance of any end product on the List do not apply to a solicitation or contract if the identified country of origin on the List is—

- (1) Israel, and the anticipated value of the acquisition is \$50,000 or more (see 25.406);
- (2) Mexico, and the anticipated value of the acquisition is ~~\$92,319~~ **[\$102,280]** or more (see subpart 25.4); or
- (3) * * * and the anticipated value of the acquisition is ~~\$183,000~~ **[\$174,000]** or more (see 25.402(b)).

* * * * *

PART 25—FOREIGN ACQUISITION

* * * * *

Subpart 25.2—Buy American—Construction Materials

* * * * *

25.202 Exceptions.

* * * * *

(c) *Acquisitions under trade agreements.* For construction contracts with an estimated acquisition value of \$7,032,000 [**\$6,708,000**] or more, see subpart 25.4.

* * * * *

Subpart 25.4—Trade Agreements

* * * * *

25.402 General.

* * * * *

(b) The value of the acquisition is a determining factor in the applicability of trade agreements. Most of these dollar thresholds are subject to revision by the U.S. Trade Representative approximately every 2 years. The various thresholds are summarized as follows:

Table 1 to Paragraph (b)

Trade Agreement	Supply Contract (equal to or exceeding)	Service Contract (equal to or exceeding)	Construction Contract (equal to or exceeding)
WTO GPA	\$183,000 [174,000]	\$183,000 [174,000]	\$7,032,000 [6,708,000]
FTAs			
Australia FTA	92,319 [102,280]	92,319 [102,280]	7,032,000 [6,708,000]
Bahrain FTA	183,000 [174,000]	183,000 [174,000]	12,001,460 [13,296,489]
CAFTA-DR (Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua)	92,319 [102,280]	92,319 [102,280]	7,032,000 [6,708,000]
Chile FTA	92,319 [102,280]	92,319 [102,280]	7,032,000 [6,708,000]
Colombia FTA	92,319 [102,280]	92,319 [102,280]	7,032,000 [6,708,000]
Korea FTA	100,000	100,000	7,032,000 [6,708,000]
Morocco FTA	183,000	183,000	7,032,000

	[174,000]	[174,000]	[6,708,000]
USMCA:			
—Mexico	92,319 [102,280]	92,319 [102,280]	12,001,460 [13,296,489]
Oman FTA	183,000 [174,000]	183,000 [174,000]	12,001,460 [13,296,489]
Panama FTA	183,000 [174,000]	183,000 [174,000]	7,032,000 [6,708,000]
Peru FTA	183,000 [174,000]	183,000 [174,000]	7,032,000 [6,708,000]
Singapore FTA	92,319 [102,280]	92,319 [102,280]	7,032,000 [6,708,000]
Israeli Trade Act	50,000	—	—

* * * * *

SUBPART 25.6—American Recovery and Reinvestment Act - Buy American Statute - Construction Materials

* * * * *

25.603 Exceptions.

* * * * *

(c) *Acquisitions under trade agreements.*

(1) For construction contracts with an estimated acquisition value of \$7,032,000 [6,708,000] or more, also see subpart 25.4. Offers proposing the use of construction material from a designated country shall receive equal consideration with offers proposing the use of domestic construction material.

* * * * *

Subpart 25.11—Solicitation Provisions and Contract Clauses

25.1101 Acquisition of supplies.

* * * * *

(b) (1) (i) Insert the clause at 52.225-3, Buy American—Free Trade Agreements—Israeli Trade Act, in solicitations and contracts if—

(A) The acquisition is for supplies, or for services involving the furnishing of supplies, for use within the United States, and the acquisition value is \$50,000; or more, but is less than \$183,000 [174,000];

* * * * *

(ii) If the acquisition value is \$50,000 or more but is less than ~~\$92,319~~ **[\$100,000]**, use the clause with its Alternate II.

(iii) If the acquisition value is ~~\$92,319~~ **[\$100,000]** or more but is less than ~~\$100,000~~ **[\$102,280]**, use the clause with its Alternate III.

(iv) * * *

(2) * * *

(ii) If the acquisition value is \$50,000 or more but is less than ~~\$92,319~~ **[\$100,000]**, use the provision with its Alternate II.

(iii) If the acquisition value is ~~\$92,319~~ **[\$100,000]** or more, but is less than ~~\$100,000~~ **[\$102,280]**, use the provision with its Alternate III.

(c)(1) Insert the clause at 52.225-5, Trade Agreements, in solicitations and contracts valued at ~~\$183,000~~ **[\$174,000]** or more, if the acquisition is covered by the WTO GPA (see subpart 25.4) and the agency has determined that the restrictions of the Buy American statute are not applicable to U.S.-made end products. If the agency has not made such a determination, the contracting officer must follow agency procedures.

* * * * *

(d) Insert the provision at 52.225-7, Waiver of Buy American Statute for Civil Aircraft and Related Articles, in solicitations for civil aircraft and related articles (see 25.407), if the acquisition value is less than ~~\$183,000~~ **[\$174,000]**.

* * * * *

25.1102 Acquisition of construction.

* * * * *

(a) Insert the clause at 52.225-9, Buy American—Construction Materials, in solicitations and contracts for construction that is performed in the United States valued at less than ~~\$7,032,000~~ **[\$6,708,000]**.

* * * * *

(c) Insert the clause at 52.225-11, Buy American—Construction Materials under Trade Agreements, in solicitations and contracts for construction that is performed in the United States valued at ~~\$7,032,000~~ **[\$6,708,000]** or more. * * *

(3) For acquisitions valued at ~~\$7,032,000~~ **[\$6,708,000]** or more, but less than ~~\$12,001,460~~ **[\$13,296,489]**, use the clause with its Alternate I. List in paragraph (b)(3) of the clause all foreign construction material excepted from the requirements of the Buy American statute,

unless the excepted foreign construction material is from a designated country other than Bahrain, Mexico, and Oman.

(4) * * *

(d) * * *

(3) For acquisitions valued at ~~\$7,032,000~~ [**\$6,708,000**] or more, but less than ~~\$12,001,460~~ [**\$13,296,489**], use the provision with its Alternate II.

* * * * *

PART 52—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

* * * * *

52.204-8 Annual Representations and Certifications.

As prescribed in 4.1202(a), insert the following provision:

Annual Representations and Certifications (MAR 2023) [(**DEVIATION JAN 2024**)]

* * * * *

(c)(1) The following representations or certifications in SAM are applicable to this solicitation as indicated:

* * * * *

(xxi) 52.225-4, Buy American—Free Trade Agreements—Israeli Trade Act Certificate. (Basic, Alternates II and III.) This provision applies to solicitations containing the clause at 52.225-3.

* * *

(B) If the acquisition value is \$50,000 or more but is less than ~~\$92,319~~ [**\$100,000**], the provision with its Alternate II applies.

(C) If the acquisition value is ~~\$92,319~~ [**\$100,000**] or more but is less than ~~\$100,000~~ [**\$102,280**], the provision with its Alternate III applies.

* * * * *

52.225-3 Buy American-Free Trade Agreements-Israeli Trade Act.

As prescribed in 25.1101 (b)(1)(i), insert the following clause:

BUY AMERICAN-FREE TRADE AGREEMENTS-ISRAELI TRADE ACT (NOV 2023)

(a) *Definitions.* As used in this clause—

Bahraini, Moroccan, Omani, Panamanian, or Peruvian end product means an article that—

Attachment 1: FAR Deviation Text

(1) Is wholly the growth, product, or manufacture of Bahrain, Morocco, Oman, Panama, or Peru; or

(2) In the case of an article that consists in whole or in part of materials from another country, has been substantially transformed in Bahrain, Morocco, Oman, Panama, or Peru into a new and different article of commerce with a name, character, or use distinct from that of the article or articles from which it was transformed. The term refers to a product offered for purchase under a supply contract, but for purposes of calculating the value of the end product includes services (except transportation services) incidental to the article, provided that the value of those incidental services does not exceed that of the article itself.

Commercially available off-the-shelf (COTS) item—(1) Means any item of supply (including construction material) that is—

(i) A commercial product (as defined in paragraph (1) of the definition of “commercial product” at Federal Acquisition Regulation (FAR) 2.101;

(ii) Sold in substantial quantities in the commercial marketplace; and

(iii) Offered to the Government, under a contract or subcontract at any tier, without modification, in the same form in which it is sold in the commercial marketplace; and

(2) Does not include bulk cargo, as defined in 46 U.S.C. 40102(4), such as agricultural products and petroleum products.

Component means an article, material, or supply incorporated directly into an end product.

Cost of components means—

(1) For components purchased by the Contractor, the acquisition cost, including transportation costs to the place of incorporation into the end product (whether or not such costs are paid to a domestic firm), and any applicable duty (whether or not a duty-free entry certificate is issued); or

(2) For components manufactured by the Contractor, all costs associated with the manufacture of the component, including transportation costs as described in paragraph (1) of this definition, plus allocable overhead costs, but excluding profit. Cost of components does not include any costs associated with the manufacture of the end product.

Critical component means a component that is mined, produced, or manufactured in the United States and deemed critical to the U.S. supply chain. The list of critical components is at FAR 25.105.

Domestic end product means—

(1) For an end product that does not consist wholly or predominantly of iron or steel or a combination of both—

Attachment 1: FAR Deviation Text

(i) An unmanufactured end product mined or produced in the United States;

(ii) An end product manufactured in the United States, if—

(A) The cost of its components mined, produced, or manufactured in the United States exceeds 60 percent of the cost of all its components, except that the percentage will be 65 percent for items delivered in calendar years 2024 through 2028 and 75 percent for items delivered starting in calendar year 2029. Components of foreign origin of the same class or kind as those that the agency determines are not mined, produced, or manufactured in sufficient and reasonably available commercial quantities of a satisfactory quality are treated as domestic. Components of unknown origin are treated as foreign. Scrap generated, collected, and prepared for processing in the United States is considered domestic; or

(B) The end product is a COTS item; or

(2) For an end product that consists wholly or predominantly of iron or steel or a combination of both, an end product manufactured in the United States, if the cost of foreign iron and steel constitutes less than 5 percent of the cost of all the components used in the end product. The cost of foreign iron and steel includes but is not limited to the cost of foreign iron or steel mill products (such as bar, billet, slab, wire, plate, or sheet), castings, or forgings utilized in the manufacture of the end product and a good faith estimate of the cost of all foreign iron or steel components excluding COTS fasteners. Iron or steel components of unknown origin are treated as foreign. If the end product contains multiple components, the cost of all the materials used in such end product is calculated in accordance with the definition of “cost of components”.

End product means those articles, materials, and supplies to be acquired under the contract for public use.

Fastener means a hardware device that mechanically joins or affixes two or more objects together. Examples of fasteners are nuts, bolts, pins, rivets, nails, clips, and screws.

Foreign end product means an end product other than a domestic end product.

Foreign iron and steel means iron or steel products not produced in the United States. Produced in the United States means that all manufacturing processes of the iron or steel must take place in the United States, from the initial melting stage through the application of coatings, except metallurgical processes involving refinement of steel additives. The origin of the elements of the iron or steel is not relevant to the determination of whether it is domestic or foreign.

Free Trade Agreement country means Australia, Bahrain, Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Korea (Republic of), Mexico, Morocco, Nicaragua, Oman, Panama, Peru, or Singapore.

Free Trade Agreement country end product means an article that—

(1) Is wholly the growth, product, or manufacture of a Free Trade Agreement country; or

(2) In the case of an article that consists in whole or in part of materials from another country, has been substantially transformed in a Free Trade Agreement country into a new and different article of commerce with a name, character, or use distinct from that of the article or articles from which it was transformed. The term refers to a product offered for purchase under a supply contract, but for purposes of calculating the value of the end product includes services (except transportation services) incidental to the article, provided that the value of those incidental services does not exceed that of the article itself.

Israeli end product means an article that—

(1) Is wholly the growth, product, or manufacture of Israel; or

(2) In the case of an article that consists in whole or in part of materials from another country, has been substantially transformed in Israel into a new and different article of commerce with a name, character, or use distinct from that of the article or articles from which it was transformed.

Predominantly of iron or steel or a combination of both means that the cost of the iron and steel content exceeds 50 percent of the total cost of all its components. The cost of iron and steel is the cost of the iron or steel mill products (such as bar, billet, slab, wire, plate, or sheet), castings, or forgings utilized in the manufacture of the product and a good faith estimate of the cost of iron or steel components excluding COTS fasteners.

Steel means an alloy that includes at least 50 percent iron, between 0.02 and 2 percent carbon, and may include other elements.

United States means the 50 States, the District of Columbia, and outlying areas.

(b) *Components of foreign origin.* Offerors may obtain from the Contracting Officer a list of foreign articles that the Contracting Officer will treat as domestic for this contract.

(c) *Delivery of end products.* 41 U.S.C. chapter 83, Buy American statute, provides a preference for domestic end products for supplies acquired for use in the United States. In accordance with 41 U.S.C. 1907, the domestic content test of the Buy American statute is waived for an end product that is a COTS item (see 12.505(a)(1)), except that for an end product that consists wholly or predominantly of iron or steel or a combination of both, the domestic content test is applied only to the iron and steel content of the end product, excluding COTS fasteners. In addition, the Contracting Officer has determined that FTAs (except the Bahrain, Morocco, Oman, Panama, and Peru FTAs) and the Israeli Trade Act apply to this acquisition. Unless otherwise specified, these trade agreements apply to all items in the Schedule. The Contractor shall deliver under this contract only domestic end products except to the extent that, in its offer, it specified delivery of foreign end products in the provision entitled “Buy American—Free Trade Agreements—Israeli Trade Act Certificate.” If the Contractor specified in its offer that the Contractor would supply a Free Trade Agreement country end product (other than a Bahraini, Moroccan, Omani, Panamanian, or Peruvian end product) or an Israeli end product, then the Contractor shall supply a Free Trade Agreement country end product (other than a Bahraini,

Moroccan, Omani, Panamanian, or Peruvian end product), an Israeli end product or, at the Contractor's option, a domestic end product.

(End of clause)

Alternate I [Reserved]

Alternate II (DEC 2022). As prescribed in 25.1101(b)(1)(ii), substitute the following paragraph (c) for paragraph (c) of the basic clause:

(c) *Delivery of end products*. 41 U.S.C. chapter 83 provides a preference for domestic end products for supplies acquired for use in the United States. In accordance with 41 U.S.C. 1907, the domestic content test of the Buy American statute is waived for an end product that is a COTS item (see 12.505(a)(1)), except that for an end product that consists wholly or predominantly of iron or steel or a combination of both, the domestic content test is applied only to the iron and steel content of the end product, excluding COTS fasteners. In addition, the Contracting Officer has determined that the Israeli Trade Act applies to this acquisition. Unless otherwise specified, this trade agreement applies to all items in the Schedule. The Contractor shall deliver under this contract only domestic end products except to the extent that, in its offer, it specified delivery of foreign end products in the provision entitled “Buy American—Free Trade Agreements—Israeli Trade Act.” If the Contractor specified in its offer that the Contractor would supply an Israeli end product, then the Contractor shall supply an Israeli end product or, at the Contractor's option, a domestic end product.

Alternate III (NOV 2023) [(DEVIATION JAN 2024)]. As prescribed in 25.1101(b)(1)(iii), delete the definition of “Bahraini, Moroccan, Omani, Panamanian, or Peruvian end product” and add in its place the following definition of “~~Bahraini, Korean, Moroccan, Omani, Panamanian, or Peruvian~~ end product” in paragraph (a) of the basic clause; and substitute the following paragraph (c) for paragraph (c) of the basic clause.

~~*Bahraini, Korean, Moroccan, Omani, Panamanian, or Peruvian end product*~~ means an article that—

(1) Is wholly the growth, product, or manufacture of ~~Bahrain, Korea (Republic of), Morocco, Oman, Panama, or Peru~~; or

(2) In the case of an article that consists in whole or in part of materials from another country, has been substantially transformed in ~~Bahrain, Korea (Republic of), Morocco, Oman, Panama, or Peru~~ into a new and different article of commerce with a name, character, or use distinct from that of the article or articles from which it was transformed. The term refers to a product offered for purchase under a supply contract, but for purposes of calculating the value of the end product includes services (except transportation services) incidental to the article, provided that the value of those incidental services does not exceed that of the article itself.

(c) *Delivery of end products*. 41 U.S.C. chapter 83 provides a preference for domestic end products for supplies acquired for use in the United States. In accordance with 41 U.S.C. 1907,

the domestic content test of the Buy American statute is waived for an end product that is a COTS item (see 12.505(a)(1)), except that for an end product that consists wholly or predominantly of iron or steel or a combination of both, the domestic content test is applied only to the iron and steel content of the end product, excluding COTS fasteners. In addition, the Contracting Officer has determined that **[the Korea (Republic of) FTA]** FTAs ~~(except the Bahrain, Korea (Republic of), Morocco, Oman, Panama, and Peru FTAs)~~ and the Israeli Trade Act apply to this acquisition. Unless otherwise specified, these trade agreements apply to all items in the Schedule. The Contractor shall deliver under this contract only domestic end products except to the extent that, in its offer, it specified delivery of foreign end products in the provision entitled “Buy American—Free Trade Agreements—Israeli Trade Act Certificate.” If the Contractor specified in its offer that the Contractor would supply **[a Korean end product or an Israeli end product, then the Contractor shall supply a Korean end product, an Israeli end product, or at the Contractor’s option, a domestic end product.]**

~~a Free Trade Agreement country end product (other than a Bahraini, Korean, Moroccan, Omani, Panamanian, or Peruvian end product) or an Israeli end product, then the Contractor shall supply a Free Trade Agreement country end product (other than a Bahraini, Korean, Moroccan, Omani, Panamanian, or Peruvian end product), an Israeli end product or, at the Contractor's option, a domestic end product.~~

Alternate IV (OCT 2022). As prescribed in 25.1101(b)(1)(iv) substitute the following sentence for the first sentence of paragraph (1)(ii)(A) of the definition of *domestic end product* in paragraph (a):

(A) The cost of its components mined, produced, or manufactured in the United States exceeds _____ percent of the cost of all its components. [*Contracting officer to insert the percentage.*]

52.225-4 Buy American-Free Trade Agreements-Israeli Trade Act Certificate.

As prescribed in 25.1101 (b)(2)(i), insert the following provision:

BUY AMERICAN-FREE TRADE AGREEMENTS-ISRAELI TRADE ACT CERTIFICATE (NOV 2023)

(a)(1) The Offeror certifies that each end product, except those listed in paragraph (b) or (c)(1) of this provision, is a domestic end product and that each domestic end product listed in paragraph (c)(2) of this provision contains a critical component.

(2) The terms “Bahraini, Moroccan, Omani, Panamanian, or Peruvian end product,” “commercially available off-the-shelf (COTS) item,” “critical component,” “domestic end product,” “end product,” “foreign end product,” “Free Trade Agreement country,” “Free Trade Agreement country end product,” “Israeli end product,” and “United States” are defined in the clause of this solicitation entitled “Buy American—Free Trade Agreements—Israeli Trade Act.”

(b) The Offeror certifies that the following supplies are Free Trade Agreement country end products (other than Bahraini, Moroccan, Omani, Panamanian, or Peruvian end products) or

Attachment 1: FAR Deviation Text

Israeli end products as defined in the clause of this solicitation entitled “Buy American—Free Trade Agreements—Israeli Trade Act”:

FREE TRADE AGREEMENT COUNTRY END PRODUCTS (OTHER THAN BAHRAINI, MOROCCAN, OMANI, PANAMANIAN, OR PERUVIAN END PRODUCTS) OR ISRAELI END PRODUCTS:

LINE ITEM NO.	COUNTRY OF ORIGIN
_____	_____
_____	_____
_____	_____

[List as necessary]

(c)(1) The Offeror shall list those supplies that are foreign end products (other than those listed in paragraph (b) of this provision) as defined in the clause of this solicitation entitled “Buy American—Free Trade Agreements—Israeli Trade Act.” The Offeror shall list as other foreign end products those end products manufactured in the United States that do not qualify as domestic end products. For those foreign end products that do not consist wholly or predominantly of iron or steel or a combination of both, the Offeror shall also indicate whether these foreign end products exceed 55 percent domestic content, except for those that are COTS items. If the percentage of the domestic content is unknown, select “no”.

OTHER FOREIGN END PRODUCTS:		
LINE ITEM NO.	COUNTRY OF ORIGIN	EXCEEDS 55% DOMESTIC CONTENT (YES/NO)
_____	_____	_____
_____	_____	_____
_____	_____	_____

[List as necessary]

(2) The Offeror shall list the line item numbers of domestic end products that contain a critical component (see FAR 25.105).

Line Item No. _____

[List as necessary]

(d) The Government will evaluate offers in accordance with the policies and procedures of part 25 of the Federal Acquisition Regulation.

(End of provision)

Alternate I [Reserved]

Attachment 1: FAR Deviation Text

Alternate II (DEC 2022). As prescribed in 25.1101(b)(2)(ii), substitute the following paragraph (b) for paragraph (b) of the basic provision:

(b) The offeror certifies that the following supplies are Israeli end products as defined in the clause of this solicitation entitled “Buy American—Free Trade Agreements—Israeli Trade Act—Balance of Payments Program”:

ISRAELI END PRODUCTS:

LINE ITEM NO.

[List as necessary]

Alternate III (NOV 2023) [(**DEVIATION JAN 2024**)]. As prescribed in 25.1101(b)(2)(iii), substitute the following paragraph (b) for paragraph (b) of the basic provision:

(b) The Offeror certifies that the following supplies are [**Korean**] ~~Free Trade Agreement country~~ end products (~~other than Bahraini, Korean, Moroccan, Omani, Panamanian, or Peruvian end products~~) or Israeli end products as defined in the clause of this solicitation entitled “Buy American—Free Trade Agreements—Israeli Trade Act”:

~~FREE TRADE AGREEMENT COUNTRY END PRODUCTS (OTHER THAN BAHRAINI, KOREAN, MOROCCAN, OMANI, PANAMANIAN, OR PERUVIAN END PRODUCTS)-OR ISRAELI END PRODUCTS:~~

LINE ITEM NO.

COUNTRY OF ORIGIN

_____	_____
_____	_____
_____	_____

[List as necessary]

52.212-5 Contract Terms and Conditions Required to Implement Statutes or Executive Orders—Commercial Products and Commercial Services.

Instruction: When the clause FAR 52.212-5 is used, contracting officers shall include the full text of deviated clause FAR 52.212-19 in addition to the required commercial clauses.

52.213-4 Terms and Conditions – Simplified Acquisitions (Other Than Commercial Products and Commercial Services).

Instruction: When the clause FAR 52.213-4 is used, contracting officers shall include the full text of deviated clause FAR 52.222-19 in addition to the required clauses.

52.222-19 Child Labor—Cooperation with Authorities and Remedies.

As prescribed in 22.1505(b), insert the following clause:

Child Labor – Cooperation with Authorities and Remedies (NOV 2023) [(**DEVIATION JAN 2024**)]

(a) *Applicability*- This clause does not apply to the extent that the Contractor is supplying end products mined, produced, or manufactured in— * * *

- (2) Mexico, and the anticipated value of the acquisition is ~~\$92,319~~ [**\$102,280**] or more; or
- (3) * * * and the anticipated value of the acquisition is ~~\$183,000~~ [**\$174,000**] or more.

* * * * *



December 22, 2023

CAAC Letter 2024-03

MEMORANDUM FOR CIVILIAN AGENCIES

FROM: WILLIAM CLARK
DIRECTOR
OFFICE OF GOVERNMENT-WIDE ACQUISITION POLICY

WILLIAM CLARK Digitally signed by WILLIAM CLARK
Date: 2023.12.22 11:29:42 -05'00'

SUBJECT: Civilian Agency Acquisition Council (CAAC) Consultation to Issue a Class Deviation from the Federal Acquisition Regulation (FAR) Regarding New Trade Agreements Thresholds

This CAAC letter is being issued to serve as consultation in accordance with FAR 1.404, authorizing agencies to issue a class deviation regarding new trade agreements thresholds.

Background

Approximately every two years the trade agreements thresholds for the World Trade Organization Government Procurement Agreement (WTO GPA) and the free trade agreements (FTAs) are adjusted according to predetermined formulae under these agreements. On December 8, 2023 (88 FR 85718), the United States Trade Representative (USTR) published new procurement thresholds. The new thresholds are effective as of January 1, 2024. FAR Case 2023-012, Trade Agreements Thresholds, will be implementing the new threshold changes, but will not be published before January 1, 2024. The new thresholds provided by USTR do not work with the FAR framework for our prescriptions and clause alternates.

Policy

The prescriptions and alternates are being revised to accommodate the new thresholds (see the Attachment LILO). Until the new thresholds have been implemented in the FAR, agencies are authorized to issue a class deviation to make the new thresholds effective as of January 1, 2024.

This CAAC letter constitutes consultation with the Chair of the CAAC required by FAR 1.404(a)(1). Agencies are reminded that FAR 1.404 requires agencies to furnish a copy of each approved class deviation to the Regulatory Secretariat, General Services Administration, by

U.S. General Services Administration
1800 F Street, NW
Washington, DC 20405
www.gsa.gov

Attachment 2: CAAC Letter 2024-003

emailing the deviation to GSARegSec@gsa.gov. Please include whether or not the document can be posted on [acquisition.gov](https://www.acquisition.gov).

If you have any questions or require additional information about this letter, please contact Michael O. Jackson at (202) 208-4949 or at michaelo.jackson@gsa.gov.

ATTACHMENT