

of whatever type including, but not limited to, mechanical, quartz digital or quartz analog, if such watches or watch parts contain any material that is the product of any country to which the Tariff Schedule of the United States (TSUS) column two rates of duty apply.

25.406 and 25.407 [Removed]

11. Sections 25.406 and 25.407 are removed and reserved.

12. Section 25.408 is amended by revising the section heading and paragraphs (a)(2) and (4) to read as follows:

25.408 Solicitation provisions and contract clauses.

(a) * * *

(2) The clause at 52.225-9, Buy American Act—Trade Agreements—Balance of Payments Program, in solicitations and contracts for supplies where the contracting officer has determined that the acquisition is subject to the Trade Agreements Act;

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(4) The clause at 52.225-21, Buy American Act—North American Free Trade Agreement (NAFTA) Implementation Act—Balance of Payments Program, in solicitations and contracts for supplies where the contracting officer has determined that the acquisition is not subject to the Trade Agreements Act but is subject to NAFTA.

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13. 25.1000 is amended by adding a new sentence at the end to read as follows:

25.1000 Scope of subpart.

* * * For thresholds which are unique to individual agencies (e.g., Power Marketing Administration of the Department of Energy), see agency regulations.

14. 25.1001 is revised to read as follows:

25.1001 Definitions.

As used in this subpart—

Sanctioned European Union (EU) construction means construction to be performed in a sanctioned member state of the EU and the contract is awarded by a contracting activity located in the United States or its territories.

Sanctioned EU end product means an article that (a) is wholly the growth product or manufacture of a sanctioned member state of the EU or (b) in the case of an article which consists in whole or in part of materials from another country or instrumentality, has been substantially transformed into a new and different article of commerce with a name, character, or use distinct from

that from which it was so transformed in a sanctioned member state of the EU. 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 its supply; provided, that the value of these incidental services does not exceed that of the product itself.

Sanctioned EU services means services to be performed in a sanctioned member state of the EU when the contract is awarded by a contracting activity located in the United States or its territories.

Sanctioned member state of the EU means Austria, Belgium, Denmark, Finland, France, Ireland, Italy, Luxembourg, the Netherlands, Sweden, and the United Kingdom.

15. 25.1002 is amended by revising paragraphs (a)(1), (2), and (3) introductory text, removing (a)(3)(i), and redesignating (a)(3)(ii) as (a)(3)(i) and revising it, and redesignating (a)(3)(iii) as (a)(3)(ii); paragraph (c)(1) introductory text is amended by replacing "EC" with "EU." The revised text reads as follows:

25.1002 Trade sanctions.

(a) * * *

(1) Sanctioned EU end products with an estimated acquisition value less than \$190,000.

(2) Sanctioned EU construction with an estimated acquisition value less than \$7,311,000.

(3) Sanctioned EU services as follows:

(i) Service contracts with an estimated acquisition value less than \$190,000.

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16. 25.1003 is revised to read as follows:

25.1003 Contract clauses.

Except as provided in 25.1002(b) and (c)—

(a) Insert the clause at 52.225-18, European Union Sanctions for End Products, in solicitations and contracts for supplies with an estimated acquisition value less than \$190,000.

(b) Insert the clause at 52.225-19, European Union Sanction for Services, in solicitations and contracts for—

(1) Services with an estimated acquisition value less than \$190,000; and

(2) All services listed in FAR 25.1002(a)(3)(ii).

PART 52—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

52.212-5 [Amended]

17. 52.212-5 is amended by revising the date of the clause to read "(JAN

1996)"; removing and reserving paragraph (b)(12); and in (b)(13) and (b)(14) by removing the phrase "Community Sanctions" and inserting "Union Sanctions" in its place.

18. 52.225-2 is amended by revising the introductory text, the clause date, and paragraph (b) to read as follows:

52.225-2 Waiver of Buy American Act for Civil Aircraft and Related Articles.

As prescribed in 25.109(c), insert the following provision:

Waiver of Buy American Act for Civil Aircraft and Related Articles (Jan 1996)

* * * * *

(b) The U.S. Trade Representative has waived applying the Buy American Act to the acquisition of civil aircraft and related articles (as defined in paragraph (a) of this clause) of countries or instrumentalities that are parties to the Agreement on Trade in Civil Aircraft. As of January 1, 1996, those countries and instrumentalities include Canada, the European Union (Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, and the United Kingdom), Japan, Norway, Romania, and Switzerland.

* * * * *

19. 52.225-9 is amended as follows:

a. by revising the clause date;

b. in the definition of "Caribbean Basin country end product," which follows paragraph (a), the second sentence is revised, the third sentence is removed, and the fourth sentence is amended to hyphenate the word "duty-free";

c. in the definition of "Designated country end product," the second sentence is revised, and the third sentence is removed;

d. the definition "Eligible product" is added in alphabetical order;

e. in the definition of "NAFTA country end product," the second sentence is revised, and the third sentence is removed; and

f. in paragraph (b) the fifth sentence is revised.

The revised text reads as follows:

52.225-9 Buy American Act—Trade Agreements—Balance of Payments Program.

* * * * *

Buy American Act—Trade Agreements—Balance of Payments Program (Jan 1996)

(a) * * *

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Caribbean Basin country end product.
* * * 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 its