

## 3525.000

AUTHORITY: 40 U.S.C. 486(c); Article VIII of the Panama Canal Treaty of 1977 and Articles IX, XI, and XVI of the Agreement in Implementation of Article III of the Panama Canal Treaty of 1977.

SOURCE: 55 FR 7654, Mar. 2, 1990, unless otherwise noted.

### 3525.000 Scope of part.

This part provides policies and procedures related to the application of the Buy American Act, the Balance of Payments Act, and purchases under the Trade Agreements Act of 1979 to Commission acquisitions. This part also provides policies and procedures for the application of international agreements to Commission acquisitions.

### Subpart 3525.1—Buy American Act—Supplies

#### 3525.102 Policy.

The Buy American Act does not apply to purchases of supplies, or services that involve the furnishing of supplies, for use in the Republic of Panama because such use is outside the United States, as provided in FAR 25.102(a)(1).

[55 FR 7654, Mar. 2, 1990; 55 FR 38331, Sept. 18, 1990]

### Subpart 3525.2—Buy American Act—Construction Materials

#### 3525.202 Policy.

The Buy American Act does not apply to contracts for the construction, alteration, or repair of any public building or public work in the Republic of Panama. The Act applies only to acquisitions for use inside the United States, as provided in FAR 25.202.

### Subpart 3525.3—Balance of Payments Program

#### 3525.300-70 Applicability.

In accordance with Article IX of the Agreement in Implementation of Article III of the Panama Canal Treaty, the Balance of Payments provisions limiting purchase of foreign products or services shall not apply to purchases for use by the Commission of—

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(a) Articles, materials, or supplies that are produced in Panama (mined, produced, or manufactured);

(b) End products, the largest percentage of which are components of Panamanian origin; and

(c) Services which are available in Panama.

### 3525.302 Policy.

(a) The cognizant HCA is the official designated to make the determination required by FAR 25.302(b)(3) that a requirement can only be filled by a foreign end product or service, and that it is not feasible to forego filling it or to provide a domestic substitute.

(b)(6) The Procurement Executive is the official designated to make the determination, with the assistance of legal counsel, that the acquisition of foreign end products or services is required by a treaty or executive agreement between governments.

### Subpart 3525.4—Purchases Under the Trade Agreements Act of 1979

#### 3525.402 Policy.

(c) Pursuant to a delegation from the United States Trade Representative under the authority provided by section 302(b)(2) of the Trade Agreements Act, the Administrator of the Panama Canal Commission is authorized to waive, on a case-by-case basis, the purchasing prohibition of section 302(a)(1) of the Act. The Administrator has delegated this waiver authority to the Procurement Executive.

### Subpart 3525.670—Customs and Duties, Republic of Panama

#### 3525.670-1 Policy.

(a) Article XVI of the Agreement in Implementation of Article III of the Panama Canal Treaty provides that all property imported into the Republic of Panama for the official use or benefit of the Commission, including that imported by its contractors or subcontractors in connection with the various activities authorized under said Agreement, shall be exempt from the payment of all customs duties or other import taxes and charges and from all license requirements.