

DUTY-FREE ENTRY

- (a) Except as otherwise approved by JPL, no amount is or will be included in the Contract price for any duties on supplies specifically identified in the Schedule to be accorded duty-free entry.
- (b) Except for supplies listed in the Schedule to be accorded duty-free entry, and except as provided under any other provision of this Contract or in paragraph (c) below, the following procedures apply:
 - (1) The Contractor shall notify JPL in writing of any foreign supplies (including, without limitation, raw materials, components, and intermediate assemblies) in excess of \$10,000 that are to be imported into the customs territory of the United States for delivery, or for incorporation into end items to be delivered, under this Contract. The notice shall be furnished to JPL, for submission to the Contracting Officer at least 20 days before the importation, and shall identify:
 - (A) The foreign supplies;
 - (B) The estimated amount of duty; and
 - (C) The country of origin.
 - (2) If the Contracting Officer determines that these supplies should be entered duty-free, JPL shall notify the Contractor within 10 days.
 - (3) Except as otherwise approved by JPL, the Contract price shall be reduced by (or the allowable cost shall not include) the amount of duty that would be payable if the supplies were not entered duty-free.
- (c) Paragraph (b) above shall not apply if:
 - (1) The foreign supplies are identical in nature with items purchased by the Contractor or any subcontractor in connection with its commercial business; and
 - (2) Segregation of these supplies to ensure use only on Government contracts containing duty-free entry provisions is not economical or feasible.
- (d) The Contractor warrants that all supplies for which duty-free entry is to be claimed are intended to be delivered, or incorporated into the end items, to be delivered under this Contract, and that duty shall be paid to the extent that these supplies, or any portion of them, are diverted to non-Governmental use, other than as scrap or salvage or as a result of a competitive sale authorized by JPL.
- (e) JPL agrees to request that the Government execute any required duty-free entry certificates for items specified in this Contract or approved by the Contracting Officer.
- (f) All shipping documents covering the supplies to be entered duty-free shall consign the shipments to the National Aeronautics and Space Administration, Jet Propulsion Laboratory, and shall include JPL's delivery address. The documents shall bear the following information:
 - (1) Government prime contract number.
 - (2) Identification of carrier and bill of lading/air waybill number.
 - (3) The notation "UNITED STATES GOVERNMENT, NATIONAL AERONAUTICS AND SPACE ADMINISTRATION. Duty-free entry to be claimed pursuant to Item No 9808.00.8000 Tariff Schedules of the United States (19 U.S.C. 1202).
 - (4) Gross weight in pounds (if freight is based on space tonnage, state cubic feet in addition to gross shipping weight).
 - (5) Value in United States dollars.
 - (6) The country of origin.
- (g) The Contractor agrees to consign the shipment as specified in (f) above, to mark all packages with the words "UNITED STATES GOVERNMENT, NATIONAL AERONAUTICS AND SPACE ADMINISTRATION, JET PROPULSION LABORATORY," and that at least two copies of the bill of lading/air waybill (or other shipping document) shall accompany the shipment for use by the District Director of Customs at the port of entry. As soon as possible but in no circumstances later than at time of shipment, the contractor shall provide copies of all shipping documents (including invoice & bill of lading/air waybill) via facsimile transmission to the Supervisor, JPL Receiving & Shipping so that the process for duty-free entry can begin.

- (h) The Contractor agrees to insert the substance of this provision in any subcontract under which:
- (1) There will be imported into the customs territory of the United States supplies identified in the Schedule as supplies to be accorded duty-free entry; or
 - (2) Other foreign supplies in excess of \$10,000 may be imported into the customs territory of the United States.