



DCMA

Duty-Free Entry

Presented By
Roberta Hermann

01NOV16

- Regulatory Guidance
- Stakeholders
- Consignments
- Military Consignments
- Commercial Consignments

Federal Acquisition Regulation

- FAR 52.225-8 – Duty-Free Entry (DFE)

Defense Federal Acquisition Supplement (DFARS)

- DFARS 252.225.7013 – Duty Free Entry (DFE)
 - DFARS Subpart 225.9 – Customs and Duties
- DFARS PGI 225.9 – Customs and Duties

Defense Transportation Regulation Part V – Customs

- Chapter 502 – US Entry Requirements, Para F & G

DFE Entitlement must be annotated in the Contract

- **Awarded Contractor**
- **Administrative Contracting Officer (ACO) or Procurement Contracting Officer (PCO)**
- **Importer**
 - Owner
 - Purchaser
 - Freight forwarder
 - Licensed customs broker
 - Commercial Transportation Service Provider (TSP)
- **US Customs and Border Protection (CBP)**
- **DCMA Customs (Not physically at Ports)**

DCMA Customs only processes DFE received at a
US Commercial POD

Harmonized Tariff Schedule of the United States (HTSUS), subheading 9808.00.30, identifies two types of entries:

- **Military Consignments**

- Entry processed through Automated Commercial Environment (ACE)
- Material consigned and delivered to a military facility under a DoD contract (USCBP 51 entries)

- **Commercial Consignments**

- Entry processed through the DCMA Duty-Free Entry eTool
- Material to be utilized on a DoD contract that is being delivered to a contractor operated facility (USCBP 01 entries).

Destined for Military Installation

- Licensed broker or TSP submits Entry Package to CBP agent at the port
- CBP Agent at Port
 - Reviews Entry Package and material
 - Assigns an Entry Number (starting with P99)
 - Releases material to the TSP (timeline varies by port)
 - Forwards hard copy of Entry Package to DCMA Customs
 - Liquidates entry upon receipt of approved CF 7501 – Entry Summary
- DCMA Customs
 - Inputs entry into Automated Commercial Environment (ACE)
 - Accepted = DFE Certificate – Prints CF 7501
 - Rejected = DFE Denied
 - Returns Entry Package to CBP agent at the port

Entry Package submitted to CBP must include:

- Bill of Lading, Air Waybill and / or Shipping Invoice
- Commercial Invoice
- Duty-Free Statement on Invoice or as stand-alone

Defense Contract Statement

UNITED STATES GOVERNMENT, DEPARTMENT OF DEFENSE
Duty-Free Entry to be claimed pursuant to Section XXII, Chapter 98,
Subchapter VIII, Item 9808.00.3000 No. of the Harmonized Tariff
Schedule of the U.S., please release shipment under 19 CFR 142
and notify DCMA Customs, 207 New York Avenue, Staten Island, NY
10305-5013 for execution of Customs Form 7501, 7501A, or 7506
and any required duty-free entry certificates.

Entry Package is exporter/contractor's responsibility

Commercial Invoice must include:

- DoD contract and delivery order number
- Weight
- Unit of Measure
- Mode of Transport
- Carrier SCAC
- Foreign supplier
- Consignee
- Alternate and Harmonized Tariff Schedule of the United States (HTSUS) number and rate
- Duty-Free Entry statement

Note: DCMA Customs Team tax ID number is maintained on file at U.S. Customs and Border Protection Headquarters in support of military consignments. DCMA Customs does not provide their tax ID number to any party.

Destined for Commercial Contractor Facility

- DFE Entitlement
 - Contractor inputs request 10 days prior to arrival at US Port of Entry
 - ACO/PCO reviews and Approves or Disapproves
- DFE Entry Package
 - Customs Broker inputs when cargo arrived POD
 - DCMA receives and processes
 - Customs Broker receives DFE Certificate via email
- CBP Agent liquidates duty fees

Commercial Consignments processed through
DCMA's eTool - DFE

American Goods Returned (AGR): 19 CFR 10.103

- Government property returning to US from OCONUS
 - NOT Emergency War materials
 - AGR not handled through DFE process
 - No CF-7501 or Commercial Certificate will be issued for American Goods Returned

AGR is a Unit responsibility
DCMA DFE does not support AGR

DCMA Customs Team:

- Athel Robinson – Team Lead
- Beatrice Morrison
- Michele Torres
- Jacqueline Martorana

- Mailing Address:
DCMA Customs Team
DCMA Transportation
207 New York Avenue / 3rd floor
Staten Island, NY 10305-5013

- E-Mail DFE Group: NewYorkCustomsTeam-DFE@dcma.mil

- Supervisor: Roberta Hermann (St. Louis)



DCMA

Questions



DCMA

Back-Up Slides

Direct import to a contractor facility:

- DCMA Customs executes the commercial DFE certificate through the DCMA DFE e-Tool.
- Entry Package in Duty-Free Entry e-Tool must include:
 - Completed Entitlement Request against valid DoD contract by Contracting Officer
 - Certificate Request from Broker
 - Completed CF-7501 from Broker, using Broker's filer code

Contractor

- Notify Administrative Contracting Officer (ACO) or Procurement Contracting Officer (PCO) in writing of purchased products eligible for DFE

ACO or PCO

- Approve/Deny duty-free entitlement
- Verify duty-free entitlement in the contract

- Brokers, contractors and contracting officers can register for the DFE e-Tool at www.dcma.mil
- Customers must route their requests through the External Web Access Management (EWAM)
- The EWAM request is reviewed and approved by the DCMA Customs Team.

- Incomplete Package
- DFE Entitlement not in contract
- Entry Number used by another port (P99)
- Item value not in US Currency
- Cargo is US Goods Returned

- CF-7501 and CF-3461 must be fully executed by the custom broker and feature a statement claiming duty-free exemption
- CF-7501 and CF-3461 must contain the imported items specific HTUS code, in addition to the DOD code of 9808.00.30 (Emergency War Materials)
- The alternate duty total on the CF-7501 entry must be computed and appear in block # 37
- For ocean shipments – Carrier SCAC must be on the documents