

CHANGE REQUEST COVER SHEET

Change Request Number: 11-10

Date Received: 10/27/2010

Title: Iran Sanctions Act Certification

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Policy OR Guidance: Guidance

Section/Text Location Affected: T3.6.4A

Summary of Change: Establishment of new Section T3.6.4A.8 with requisite guidance. Current sections 8- 12 renumbered in this change as 9-13. T3.6.4A.13 - Definitions(formerly T3.6.4A.12) modified to add language - new AMS provision 3.6.4-19 also added

Reason for Change: Requirement for offerors to certify they are not involved in prohibited activities per the Iran Sanctions Act.

Development, Review, and/or Concurrence: Acquisition Policy Division; Legal; and Contracting Organizations at FAA HQ, Centers, and Regions (ARC).

Target Audience: FAA Contracting Workforce and Program Offices

Potential Links within FAST for the Change: None

Briefing Planned: No

ASAG Responsibilities: None

Potential Links within FAST for the Change: None

Links for New/Modified Forms (or) Documents (LINK 1) [null](#)

Links for New/Modified Forms (or) Documents (LINK 2) [null](#)

Links for New/Modified Forms (or) Documents (LINK 3) [null](#)

SECTIONS ADDED:

Procurement Guidance:

T3.6.4 Foreign Acquisition

Foreign Acquisition

Section 8 : Prohibition on Contracting with Entities that Engage in Certain Activities Relating to Iran [\[New Content\]](#)

SECTIONS EDITED:

Procurement Guidance:

T3.6.4 Foreign Acquisition

Foreign Acquisition

Section 13 : Definitions [\[Old Content\]](#)[\[New Content\]](#) [\[RedLine Content\]](#)

SECTIONS ADDED:

Procurement Guidance:

T3.6.4 Foreign Acquisition

Foreign Acquisition

Section 8 : Prohibition on Contracting with Entities that Engage in Certain Activities Relating to Iran

a. *Certification.*

(1) As required by the Iran Sanctions Act, unless an exception applies or a waiver is granted according to paragraph (c) or (d) of this section, each offeror must certify that the offeror, and any other person owned or controlled by the offeror, does not engage in any activity for which sanctions may be imposed under section 5 of the Iran Sanctions Act.

(2) In general, the following, which are described in detail in section 5 of the Iran Sanctions Act, are activities for which sanctions may be imposed on or after July 1, 2010:

(a) Knowingly making an investment of \$20,000,000 or more, or a combination of investments of \$5,000,000 or more that equal or exceed \$20,000,000 in a 12-month period, that directly and significantly contribute to the enhancement of Iran's ability to develop petroleum resources.

(b) Knowingly selling, leasing or providing to Iran goods, services, technology, information, or support with a fair market value of \$1,000,000 or more, or during a 12-month period with an aggregate fair market value of \$5,000,000 or more, that could directly and significantly facilitate the maintenance or expansion of Iran's domestic production of refined petroleum products, including any direct and significant assistance with respect to the construction, modernization, and repair of petroleum refineries.

(c) Knowingly selling or providing to Iran refined petroleum products with a fair market value of \$1,000,000 or more, or during a 12-month period with an aggregate fair market value of \$5,000,000 or more.

(d) Knowingly selling, leasing, or providing to Iran goods, services, technology, information, or support with a fair market value of \$1,000,000 or more, or during a 12-month period with an aggregate fair market value of \$5,000,000 or more, that could directly and significantly contribute to the enhancement of Iran's ability to import refined petroleum products, including:

(i) Certain insurance or reinsurance, underwriting, financing, or brokering for the sale, lease or provision of such items; or

(ii) Providing ships or shipping services to deliver refined petroleum products to Iran.

(e) Exporting, transferring, or otherwise providing to Iran any goods, services, technology, or other items knowing that it would contribute materially to the ability of Iran to acquire or develop chemical, biological, or nuclear weapons or related technologies, or develop destabilizing numbers and types of advanced conventional weapons.

b. *Remedies.* Upon determining a false certification under paragraph (a) of this section, FAA will take one or more of the following actions:

(1) The CO may terminate the contract.

(2) The suspending official may suspend the contractor according to the procedures in AMS Procurement Guidance T3.2.2.7.

(3) The debarring official may debar the contractor for a period not to exceed three years according to the procedures in AMS Procurement Guidance T3.2.2.7.

c. *Exception for trade agreements.* The certification requirements of paragraph (a) of this section do not apply to procuring eligible products, as defined in the NAFTA Implementation Act (Pub. L. 103-182, 107 Stat 2057) or the Agreement on Civil Aircraft (19 U.S.C. 2513) (see AMS Procurement Guidance T3.6.4).

d. *Waiver.*

(1) The President may waive the requirement for certification on a case-by-case basis if the President determines and certifies in writing to the appropriate congressional committees (Committee on Armed Services of the Senate, Committee on Finance of the Senate, Committee on Banking, Housing, and Urban Affairs of the Senate, Committee on Foreign Relations of the Senate, Committee on Armed Services of the House of Representatives, Committee on Ways and Means of the House of Representatives, Committee on Financial Services of the House of Representatives, and Committee on Foreign Services of the House of Representatives) that it is in the national interest to do so.

(2) If FAA or a contractor seeks a waiver of the requirement, it must submit the request through the Office of Federal Procurement Policy (OFPP), allowing sufficient time for review and approval. Upon receipt of the waiver request, OFPP will consult with the President's National Security Council, the Office of Terrorism and Financial Intelligence in the Department of the Treasury, and the Office of Terrorism Finance

and Economic Sanctions Policy, Bureau of Economic, Energy, and Business Affairs in the State Department, allowing sufficient time for review and approval.

(3) In general, all waiver requests should include the following information:

- (a) Agency name, complete mailing address, and point of contact name, telephone number, and email address.
- (b) Offeror's name, complete mailing address, and point of contact name.
- (c) Description/nature of product or service.
- (d) The total cost and length of the contract.
- (e) Justification with market research demonstrating that no other offeror can provide the product or service and stating why the product or service must be procured from this offeror, as well as why it is in the national interest for the President to waive the prohibition on contracting with this offeror that conducts activities for which sanctions may be imposed under section 5 of the Iran Sanctions Act of 1996.
- (f) Documentation regarding this offeror's past performance and integrity (see the Past Performance Information Retrieval System at www.ppirs.gov and any other relevant information).
- (g) Information regarding the offeror's relationship or connection with other firms that conduct activities for which sanctions may be imposed under section 5 of the Iran Sanctions Act of 1996.
- (h) The activities in which the offeror is engaged for which sanctions may be imposed under section 5 of the Iran Sanctions Act of 1996.

e. *Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, Section 106.* The head of an executive agency may not enter into or extend a contract for the procurement of goods and services with a person that exports certain sensitive technology to Iran, as determined by the President and listed on the Excluded Parties List System at <https://www.epls.gov>.

SECTIONS EDITED:

Section 13 : Definitions

Old Content: Procurement Guidance:

T3.6.4 Foreign Acquisition

Foreign Acquisition

Section 13 : Definitions

a. "*Canadian end product*" means an article that (a) is wholly the growth, product, or manufacture of Canada, 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 in Canada 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 its supply; provided, that the value of those incidental services does not exceed that of the product itself.

b. "*Civil aircraft and related articles*" means (a) all aircraft other than aircraft to be purchased for use by the Department of Defense or the U.S. Coast Guard; (b) the engines (and parts and components for incorporation into the engines) of these aircraft; (c) any other parts, components, and subassemblies for incorporation into the aircraft; and (d) any ground flight simulators, and parts and components of these simulators, for use with respect to the aircraft, whether to be used as original or replacement equipment in the manufacture, repair, maintenance, rebuilding, modification, or conversion of the aircraft and without regard to whether the aircraft or articles receive duty-free treatment under section 601(a)(2) of the Trade Agreements Act of 1979.

c. "*Components*" means those articles, materials, and supplies incorporated directly into the end products, or in the case of construction those articles, materials, and supplies incorporated directly into construction materials.

d. "*Construction*" means construction, alteration, or repair of any public building or public work in the United States.

e. "*Construction Materials*" means an article, material, or supply brought to the construction site for incorporation into the building or work. "*Construction Material*" also includes an item brought to the site pre-assembled from articles, materials, and supplies. However, emergency life safety systems, such as emergency lighting, fire alarm, and audio evacuation systems, which are discrete systems incorporated into a public building or work and which are produced as a complete system, shall be evaluated as a single and distinct construction material regardless of when or how the individual parts or components of such systems are delivered to the construction site.

f. "*Customs territory of the United States,*" as it applies to customs and duties, means the States, the District of Columbia, and Puerto Rico.

g. "*Domestic construction material*" means (a) an unmanufactured construction material mined or produced in the United States, or (b) a construction material manufactured in the United States, if the cost of its components mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components. (In determining whether a construction material is domestic, only the construction material and its components shall be considered.) The cost of each component includes transportation costs to the place of incorporation into the construction material and any applicable duty (whether or not a duty-free entry certificate is issued).

h. "*Domestic end product*" means (a) an unmanufactured end product mined or produced in the United States, or (b) an end product manufactured in the United States, if the cost of its

components mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components. (In determining if an end product is domestic, only the end product and its components shall be considered.) The cost of each component includes transportation costs to the place of incorporation into the end product and any applicable duty (whether or not a duty-free entry certificate is issued). Scrap generated, collected, and prepared for processing in the United States is considered domestic.

i. *"Domestic offer"* means an offered price for a domestic end product, including transportation to destination.

j. *"Domestic services"* means services performed in the United States. If services provided under a single contract are performed both inside and outside the United States, they shall be considered domestic if 25 percent or less of their total cost is attributable to services (including incidental supplies used in connection with these services) performed outside the United States.

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

l. *"Foreign construction material"* means a construction material other than a domestic construction material.

m. *"Foreign contractor"* means a contractor or subcontractor organized or existing under the laws of a country other than the United States, its territories, or possessions.

n. *"Foreign end product"* means an end product other than a domestic end product.

o. *"Foreign offer"* means an offered price for a foreign end product, including transportation to destination and duty (whether or not a duty-free entry certificate is issued).

p. *"Foreign services"* means services other than domestic services.

q. *"Instrumentality"* does not include an agency or division of the government of a country, but may be construed to include arrangements such as the European Union.

r. *"Manufactured product"* as it applies to "Buy American-Steel and Manufactured Products" means an item produced as a result of the manufacturing process.

s. *"Manufacturing process"* as it applies to "Buy American-Steel and Manufactured Products" means the application of processes to alter the form or function of materials or of elements of the product in a manner adding value and transforming those materials or elements so that they represent a new end product functionally different from that which would result from mere assembly of the elements or materials.

t. *"Mexican end product"* means an article that (a) is wholly the growth, product, or manufacture of Mexico, 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 in Mexico 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 its supply; provided, that the value of those incidental services does not exceed that of the product itself.

u. *"North American Free Trade Agreement (NAFTA) country"* means Canada or Mexico.

v. *"NAFTA country construction material"* means a construction material that (a) is wholly the growth, product, or manufacture of a NAFTA country or (b) in the case of a construction material which consists in whole or in part of materials from another country or instrumentality, has been substantially transformed in a NAFTA country into a new and different construction material distinct from the materials from which it was transformed.

w. *"NAFTA country end product"* means a Canadian end product or a Mexican end product.

x. *"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.

y. *"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 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. It does not include service contracts as such.

z. *"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.

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

bb. *"Petroleum terms"*

1. *"Crude oil"* means crude petroleum, as it is produced at the wellhead, and liquids (under atmospheric conditions) that have been recovered from mixtures of hydrocarbons that existed in a vaporous phase in a reservoir and that are not natural gas products.

2. *"Finished products"* means any one or more of the following petroleum oils, or a mixture or combination of these oils, to be used without further processing except blending by mechanical means:

(a) "*Asphalt*"-- a solid or semi-solid cementitious material that (1) gradually liquefies when heated, (2) has bitumens as its predominating constituents, and (3) is obtained in refining crude oil.

(b) "*Fuel oil*"--a liquid or liquefiable petroleum product burned for lighting or for the generation of heat or power and derived directly or indirectly from crude oil, such as kerosene, range oil, distillate fuel oils, gas oil, diesel fuel, topped crude oil, or residues.

(c) "*Gasoline*"--a refined petroleum distillate that, by its composition, is suitable for use as a carburant in internal combustion engines.

(d) "*Jet fuel*"--a refined petroleum distillate used to fuel jet propulsion engines.

(e) "*Liquefied gases*"--hydrocarbon gases recovered from natural gas or produced from petroleum refining and kept under pressure to maintain a liquid state at ambient temperatures.

(f) "*Lubricating oil*"--a refined petroleum distillate or specially treated petroleum residue used to lessen friction between surfaces.

(g) "*Naphtha*"--a refined petroleum distillate falling within a distillation range overlapping the higher gasoline and the lower kerosenes.

(h) "*Natural gas products*"--liquids (under atmospheric conditions), including natural gasoline, that--

(1) Are recovered by a process of absorption, adsorption, compression, refrigeration, cycling, or a combination of these processes, from mixtures of hydrocarbons that existed in a vaporous phase in a reservoir, and

(2) When recovered and without processing in a refinery, definitions of products contained in subdivision (b), (c), (d), and (g) of this definition.

(i) "*Residual fuel oil*"--a topped crude oil or viscous residuum that, as obtained in refining or after blending with other fuel oil, meets or is the equivalent of Military Specification MIL-F-859 for Navy Special Fuel Oil and any more viscous fuel oil, such as No. 5 or Bunker C.

3. "*Unfinished oils*" means one or more of the petroleum oils listed under the definition of finished oils, or a mixture or combination of these oils, that are to be further processed other than by blending by mechanical means.

cc. "*United States*" as it relates to the Buy American Act or the Balance of Payments Program means the United States, its possessions, Puerto Rico, and any other place subject to its jurisdiction, but does not include leased bases or trust territories.

New Content: Procurement Guidance:

T3.6.4 Foreign Acquisition

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c. "*Components*" means those articles, materials, and supplies incorporated directly into the end products, or in the case of construction those articles, materials, and supplies incorporated directly into construction materials.

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g. "*Domestic construction material*" means (a) an unmanufactured construction material mined or produced in the United States, or (b) a construction material manufactured in the United States, if the cost of its components mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components. (In determining whether a construction

material is domestic, only the construction material and its components shall be considered.) The cost of each component includes transportation costs to the place of incorporation into the construction material and any applicable duty (whether or not a duty-free entry certificate is issued).

h. "*Domestic end product*" means (a) an unmanufactured end product mined or produced in the United States, or (b) an end product manufactured in the United States, if the cost of its components mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components. (In determining if an end product is domestic, only the end product and its components shall be considered.) The cost of each component includes transportation costs to the place of incorporation into the end product and any applicable duty (whether or not a duty-free entry certificate is issued). Scrap generated, collected, and prepared for processing in the United States is considered domestic.

i. "*Domestic offer*" means an offered price for a domestic end product, including transportation to destination.

j. "*Domestic services*" means services performed in the United States. If services provided under a single contract are performed both inside and outside the United States, they shall be considered domestic if 25 percent or less of their total cost is attributable to services (including incidental supplies used in connection with these services) performed outside the United States.

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

l. "*Foreign construction material*" means a construction material other than a domestic construction material.

m. "*Foreign contractor*" means a contractor or subcontractor organized or existing under the laws of a country other than the United States, its territories, or possessions.

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o. "*Foreign offer*" means an offered price for a foreign end product, including transportation to destination and duty (whether or not a duty-free entry certificate is issued).

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q. "*Instrumentality*" does not include an agency or division of the government of a country, but may be construed to include arrangements such as the European Union.

r. "*Manufactured product*" as it applies to "Buy American-Steel and Manufactured Products" means an item produced as a result of the manufacturing process.

s. "*Manufacturing process*" as it applies to "Buy American-Steel and Manufactured Products" means the application of processes to alter the form or function of materials or of elements of the

product in a manner adding value and transforming those materials or elements so that they represent a new end product functionally different from that which would result from mere assembly of the elements or materials.

t. *"Mexican end product"* means an article that (a) is wholly the growth, product, or manufacture of Mexico, 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 in Mexico 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 its supply; provided, that the value of those incidental services does not exceed that of the product itself.

u. *"North American Free Trade Agreement (NAFTA) country"* means Canada or Mexico.

v. *"NAFTA country construction material"* means a construction material that (a) is wholly the growth, product, or manufacture of a NAFTA country or (b) in the case of a construction material which consists in whole or in part of materials from another country or instrumentality, has been substantially transformed in a NAFTA country into a new and different construction material distinct from the materials from which it was transformed.

w. *"NAFTA country end product"* means a Canadian end product or a Mexican end product.

x. *"Person"* (1) Means-(i) A natural person;(ii) A corporation, business association, partnership, society, trust, financial institution, insurer, underwriter, guarantor, and any other business organization, any other nongovernmental entity, organization, or group, and any governmental entity operating as a business enterprise; and (iii) Any successor to any entity described in paragraph (1)(ii) of this definition; and (2) Does not include a government or governmental entity that is not operating as a business enterprise.

y. *"Petroleum terms"*

1. *"Crude oil"* means crude petroleum, as it is produced at the wellhead, and liquids (under atmospheric conditions) that have been recovered from mixtures of hydrocarbons that existed in a vaporous phase in a reservoir and that are not natural gas products.

2. *"Finished products"* means any one or more of the following petroleum oils, or a mixture or combination of these oils, to be used without further processing except blending by mechanical means:

(a) *"Asphalt"*-- a solid or semi-solid cementitious material that (1) gradually liquefies when heated, (2) has bitumens as its predominating constituents, and (3) is obtained in refining crude oil.

(b) *"Fuel oil"*--a liquid or liquefiable petroleum product burned for lighting or for the generation of heat or power and derived directly or indirectly from crude oil,

such as kerosene, range oil, distillate fuel oils, gas oil, diesel fuel, topped crude oil, or residues.

(c) "*Gasoline*"--a refined petroleum distillate that, by its composition, is suitable for use as a carburant in internal combustion engines.

(d) "*Jet fuel*"--a refined petroleum distillate used to fuel jet propulsion engines.

(e) "*Liquefied gases*"--hydrocarbon gases recovered from natural gas or produced from petroleum refining and kept under pressure to maintain a liquid state at ambient temperatures.

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(g) "*Naphtha*"--a refined petroleum distillate falling within a distillation range overlapping the higher gasoline and the lower kerosenes.

(h) "*Natural gas products*"--liquids (under atmospheric conditions), including natural gasoline, that:

(1) Are recovered by a process of absorption, adsorption, compression, refrigeration, cycling, or a combination of these processes, from mixtures of hydrocarbons that existed in a vaporous phase in a reservoir, and

(2) When recovered and without processing in a refinery, definitions of products contained in subdivision (b), (c), (d), and (g) of this definition.

(i) "*Residual fuel oil*"--a topped crude oil or viscous residuum that, as obtained in refining or after blending with other fuel oil, meets or is the equivalent of Military Specification MIL-F-859 for Navy Special Fuel Oil and any more viscous fuel oil, such as No. 5 or Bunker C.

3. "*Unfinished oils*" means one or more of the petroleum oils listed under the definition of finished oils, or a mixture or combination of these oils, that are to be further processed other than by blending by mechanical means.

z. "*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.

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T3.6.4 Foreign Acquisition

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- q. *"Instrumentality"* does not include an agency or division of the government of a country, but may be construed to include arrangements such as the European Union.
- r. *"Manufactured product"* as it applies to "Buy American-Steel and Manufactured Products" means an item produced as a result of the manufacturing process.
- s. *"Manufacturing process"* as it applies to "Buy American-Steel and Manufactured Products" means the application of processes to alter the form or function of materials or of elements of the product in a manner adding value and transforming those materials or elements so that they represent a new end product functionally different from that which would result from mere assembly of the elements or materials.
- t. *"Mexican end product"* means an article that (a) is wholly the growth, product, or manufacture of Mexico, 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 in Mexico 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 its supply; provided, that the value of those incidental services does not exceed that of the product itself.
- u. *"North American Free Trade Agreement (NAFTA) country"* means Canada or Mexico.
- v. *"NAFTA country construction material"* means a construction material that (a) is wholly the growth, product, or manufacture of a NAFTA country or (b) in the case of a construction material which consists in whole or in part of materials from another country or instrumentality, has been substantially transformed in a NAFTA country into a new and different construction material distinct from the materials from which it was transformed.
- w. *"NAFTA country end product"* means a Canadian end product or a Mexican end product.
- x. ~~*"Sanctioned European Union*~~ ***"Person"*** (EU ***1***) ~~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.~~ y. ~~"Sanctioned EU end product" means an article that~~ ***Means:*** ~~(a)~~ ***(i)*** is wholly the growth product or manufacture of a sanctioned member state of the EU ***A*** ~~or~~ ***natural person;*** ~~(bii)~~ ***(ii)*** in the case of an article which consists in whole or in part of materials from ***A*** ~~another~~ ***corporation, country, business, or association,*** ~~instrumentality~~ ***partnership, has*** ~~society, been~~ ***trust, substantially*** ~~financial~~ ***transformed*** ~~institution,~~ ~~into~~ ***insurer, a underwriter, new guarantor,*** ~~and different article of commerce~~ ***any*** ~~with a~~

~~name~~other business organization, character~~any~~ or use~~other nongovernmental~~ distinct~~entity~~, form~~organization~~, that~~or~~ from~~group~~, which it was so transformed in~~and any governmental entity operating as~~ a sanctioned member state of the EU. The term~~business~~ includes~~enterprise~~; services~~and~~ (except transportation services~~iii~~) incidental to its supply; provided, that the value~~Any~~ of these incidental services does not exceed~~successor to any entity described in paragraph~~ that~~(1)(ii)~~ of the~~this~~ product~~definition~~; itself~~and~~ It~~(2)~~ does~~Does~~ not include service contracts as such. z. "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~~government~~ or its territories. aa. "Sanctioned member state of the EU" means Austria, Belgium, Denmark, Finland, France, Ireland, ~~governmental~~ Italy, ~~entity~~ Luxembourg, ~~that~~ the~~is~~ Netherlands, ~~not~~ Sweden, ~~operating~~ and the United Kingdom~~as a business enterprise~~.

~~bb~~y. "Petroleum terms"

1. "Crude oil" means crude petroleum, as it is produced at the wellhead, and liquids (under atmospheric conditions) that have been recovered from mixtures of hydrocarbons that existed in a vaporous phase in a reservoir and that are not natural gas products.

2. "Finished products" means any one or more of the following petroleum oils, or a mixture or combination of these oils, to be used without further processing except blending by mechanical means:-

(a) "Asphalt"-- a solid or semi-solid cementitious material that (1) gradually liquefies when heated, (2) has bitumens as its predominating constituents, and (3) is obtained in refining crude oil.

(b) "Fuel oil"--a liquid or liquefiable petroleum product burned for lighting or for the generation of heat or power and derived directly or indirectly from crude oil, such as kerosene, range oil, distillate fuel oils, gas oil, diesel fuel, topped crude oil, or residues.

(c) "Gasoline"--a refined petroleum distillate that, by its composition, is suitable for use as a carburant in internal combustion engines.

(d) "Jet fuel"--a refined petroleum distillate used to fuel jet propulsion engines.

(e) "Liquefied gases"--hydrocarbon gases recovered from natural gas or produced from petroleum refining and kept under pressure to maintain a liquid state at ambient temperatures.

(f) "Lubricating oil"--a refined petroleum distillate or specially treated petroleum residue used to lessen friction between surfaces.

(g) "Naphtha"--a refined petroleum distillate falling within a distillation range overlapping the higher gasoline and the lower kerosenes.

(h) "Natural gas products"--liquids (under atmospheric conditions), including natural gasoline, that--

(1) Are recovered by a process of absorption, adsorption, compression, refrigeration, cycling, or a combination of these processes, from mixtures of hydrocarbons that existed in a vaporous phase in a reservoir, and

(2) When recovered and without processing in a refinery, definitions of products contained in subdivision (b), (c), (d), and (g) of this definition.-

(i) "Residual fuel oil"--a topped crude oil or viscous residuum that, as obtained in refining or after blending with other fuel oil, meets or is the equivalent of Military Specification MIL-F-859 for Navy Special Fuel Oil and any more viscous fuel oil, such as No. 5 or Bunker C.

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3. "Unfinished oils" means one or more of the petroleum oils listed under the definition of finished oils, or a mixture or combination of these oils, that are to be further processed other than by blending by mechanical means.

z. "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.

aa. "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 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. It does not include service contracts as such.

bb. "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.

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

dd. "United States" as it relates to the Buy American Act or the Balance of Payments Program means the United States, its possessions, Puerto Rico, and any other place subject to its jurisdiction, but does not include leased bases or trust territories.