



CAAC LETTER 2020-05

MEMORANDUM FOR CIVILIAN AGENCIES

FROM: WILLIAM CLARK
CHAIR
CIVILIAN AGENCY ACQUISITION COUNCIL (CAAC)

WILLIAM CLARK Digitally signed by WILLIAM CLARK
Date: 2020.06.29 13:21:45 -04'00'

SUBJECT: CAAC Consultation to Issue a Class Deviation for Implementation of the United States-Mexico-Canada Agreement

This CAAC letter is being issued to serve as consultation in accordance with Federal Acquisition Regulation (FAR) 1.404, allowing agencies to authorize a class deviation to implement the United States-Mexico-Canada Agreement (USMCA), as enacted by Congress in the United States-Mexico-Canada Agreement Implementation Act (Pub. L. 116-113).

The USMCA is effective July 1, 2020. It supersedes the North American Free Trade Agreement (NAFTA), therefore references to NAFTA are replaced with USMCA. Although Canada is still a designated country under the World Trade Organization Government Procurement Agreement, Canada is no longer a Free Trade Agreement country, because chapter 13 of the USMCA (government procurement) applies only to the United States and Mexico. Therefore, references to Canada as a Free Trade Agreement country are deleted, including the \$25,000 threshold. Mexico thresholds remain unchanged.

Agencies are strongly encouraged to issue class deviations to use deviated FAR provisions and clauses, in lieu of the corresponding standard FAR provisions and clauses, as close to July 1, 2020, as is feasible. If a FAR deviation is issued by an agency using the changes spelled out in the attached FAR text (Attachment to this Letter), consultation pursuant to FAR 1.404(a)(1), is not required, but the agency should still notify the CAAC Chair of the action. If an agency plans to issue a FAR deviation that does not adhere to these changes, prior consultation with the CAAC Chair is required and further consultation with the Office of the United States Trade Representative may also be requested.

Agencies are advised to review any relevant clauses in their FAR supplement and take any action that is appropriate. Agencies are reminded that FAR 1.404 requires agencies to furnish a copy of each approved class deviation to the GSA Regulatory Secretariat. Agencies must email the approved deviation to GSARegSec@gsa.gov. Please include whether or not the deviation can be posted on acquisition.gov.

If you have any questions or require additional information about this letter, please contact Michael O. Jackson at (202) 208-4949 or at michaelo.jackson@gsa.gov.

Attachment A