

Guidance and Information
For Raytheon Suppliers
Regarding Duty-Entry Clauses

Raytheon is closely monitoring tariff impacts on our business, including our supply chain. Although it is impossible to know the exact impact until the specifics regarding the tariff structure are solidified, we have been doing our best to prepare for various implementation scenarios. This information is one part of Raytheon's effort to mitigate negative impacts of tariffs.

The primary tariff mitigation strategy available to Raytheon and its suppliers is the Military Duty-Free Entry (DFARS 252.225-7013) or Duty-Free Entry (FAR 52.225-8) ("MDF"), HTSUS 9808.00.30. The following guidance and information is meant to aid Raytheon's suppliers through this changing landscape. Suppliers are asked to consult with their own Global Trade and legal advisors and should not rely on the information contained herein as business or legal advice.

- The Federal Government has signed executive orders to impose tariffs on material imported into the U.S. Consequently, the US Government and Raytheon may incur costs associated with tariffs that would result in unplanned cost growth.
- Fully leveraging applicable MDF entitlement will mitigate the US Government, Raytheon, and its subcontractors' exposure from program impacts associated with tariffs and subsequently protect the Government and the program.
- DFARS 252.225-7013 should apply to RFPs, Contracts, requests for proposals and purchase orders issued in support of military defense articles.
 - Suppliers must review existing purchase orders to ensure the clause is included or notify the Raytheon at RAY_SC_Tariff_Inquiries@rtx.com that the clause is needed.
- FAR 52.225-8 also applies to contracts with exempted supplies as identified in Subchapters VIII and X of Chapter 98 of the Harmonized Tariff Schedule of the United States (19 U.S.C. 1202).
 - Suppliers must review existing purchase orders to ensure the clause is included or notify the Raytheon at RAY_SC_Tariff_Inquiries@rtx.com that the clause is needed.

Both 252.225-7013 and 52.225-8 are **mandatory flow-down clauses to subcontracts at every tier** which will enable the USG to prevent cost growth in response to imposed tariffs.

- When a purchase order contains the MDF clause, **it is imperative that the supplier follow the process outlined in the notification letters detailing the mechanics.** Please notify RAY_SC_Tariff_Inquiries@rtx.com if you need a copy of the letter.

- *Please note that resources for managing this mailbox are still being implemented so responses may not be immediate.*
- Raytheon depends on the cooperation of its suppliers to exhaust all relief that the Military Duty-Free entry provides to Raytheon.
- Failure by the subcontractor to fully exercise duty-free entitlements **will disqualify** subcontractors from recovery of any costs through equitable adjustment.
 - DCMA issued C-Note 25-14 on 10 April 2025 mandating strict adherence to Military Duty-Free entitlement and declaring all such costs are unallowable under the Cost Accounting Standards. Thus, the US Government will not entertain requests for reimbursement of tariffs paid when a Military Duty-Free entitlement was available at time of import.
- **Nothing contained in this Guidance should be construed as a commitment that Raytheon will reimburse suppliers for cost of tariffs.**
- **Suppliers should contact their customs attorneys and advisors for guidance specific to the supplier's operations.**

Below are the prescriptions for the clauses from <https://www.acquisition.gov>

- **252.225-7013** Duty-Free Entry Is prescribed in DFARS [225.1101](#) (4), which states:
Use the clause at 252.225-7013, Duty-Free Entry, instead of the clause at FAR 52.225-8. Do not use the clause for acquisitions of supplies that will *not* enter the customs territory of the United States.
- **52.225-8** Duty-Free Entry is prescribed in DFARS [25.1101](#)(e), which states:
Insert the clause at [52.225-8](#), Duty-Free Entry, in solicitations and contracts for supplies that may be imported into the United States and for which duty-free entry may be obtained in accordance with [25.903](#)(a), if the value of the acquisition-
 - (1) Exceeds the simplified acquisition threshold; or
 - (2) Does not exceed the simplified acquisition threshold, but the savings from waiving the duty is anticipated to be more than the administrative cost of waiving the duty. When used for acquisitions that do not exceed the simplified acquisition threshold, the contracting officer may modify paragraphs (c)(1) and (j)(2) of the clause to reduce the dollar figure.
- **25.903** Exempted supplies states:
(a)Subchapters VIII and X of Chapter 98 of the Harmonized Tariff Schedule of the United States (19 U.S.C. 1202) list supplies for which exemptions from duty may be obtained when

imported into the customs territory of the United States under a Government contract. For certain of these supplies, the contracting agency must certify to the Commissioner of Customs that they are for the purpose stated in the Harmonized Tariff Schedule (see 19 CFR 10.102-104, 10.114, and 10.121 and 15 CFR Part 301 for requirements and formats).