

23 June 2022

**MEMORANDUM FOR COMMANDER NAVY INSTALLATION COMMAND
NONAPPROPRIATED FUND PURCHASE CARD PROGRAM
(ATTN: REGION DIRECTORS, AGENCY PROGRAM
COORDINATORS, PURCHASE CARDHOLDER AND
APPROVING OFFICIALS)**

**SUBJ: INTERIM POLICY AND GUIDANCE FOR COMMANDER NAVY INSTALLATION
COMMAND NONAPPROPRIATED FUND PURCHASE CARD PROGRAM OF
JOHN S. MCCAIN NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL
YEAR 2019 (PUB. L. 115-232), SEC 889 – PROHIBITION ON CONTRACTING
FOR CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE
SERVICES OR EQUIPMENT**

Ref: (a) National Defense Authorization Act for FY 2019 (2019 NDAA) (Public Law 115 232),
Section 889(a) (1) (A), effective August 13, 2019, and Section 889 (a) (1) (B) effective
August 13, 2020.

(b) Under Secretary of Defense DTM 22-002 NAF Procurement Implementation of Section
889 of the NDAA FY19 dated May 31, 2022

(c) Director of National Intelligence memorandum, “Department of Defense Request for
Waiver of Section 889 of Fiscal Year 2019 National Defense Authorization Act,” dated
August 12, 2020

Encl: (1) CNIC NAF PC Use of Covered Telecommunications Equipment or Services
Representation

Canc: Interim Policy for CNIC NAF PCP of NDAA FY19 Section 889 dated 7 June 2022

1. This memorandum provides interim policy guidance for implementation the prohibitions of
reference (a and b). This memorandum applies to Child and Youth Programs (CYP), Morale
Welfare and Receptions (MWR) and all other entities that utilize the CNIC NAF purchase card
program. This memorandum updates the validity dates of Enclosure (1) to 1 year from date
signed.

(a) The prohibition, set forth in section 889(a)(1)(A), took effect August 13, 2019, and
prohibits the NAFI from buying and using covered telecommunications equipment or services
from five named Chinese companies (Huawei, ZTE, Hytera, Hikvision, and Dahua) and their
subsidiaries or affiliates.

(b) The prohibition, set forth in section 889(a)(1)(B), took effect August 13, 2020, where it
extends section 889(a)(1)(A) to include any entity that uses any equipment, system, or service
that uses covered telecommunications equipment or services from the prohibited sources

(Huawei, ZTE, Hytera, Hikvision, and Dahua, their subsidiaries or affiliates) as a substantial or essential component of any system, or as critical technology as part of any system.

2. The following NAF PC transactions are exempt:

- (a) Contract Payment Official - use of the NAF PC as a payment method only
- (b) Inter/Intra-Government - (ex. DLA Document Services, NSN items using FedMall, NEXCOM,)
- (c) Training Payments

3. Per Section 889(a)(1)(B) of reference (a and b), Cardholders (CH) are required to receive representation certification from a vendor prior to making any purchase.

(a) CH will first search for the vendor on sam.gov to determine if the vendor has provided Representations of FAR 52.204-24(d)(2), if so, the CH will retain a copy with the transaction supporting documentation.

1) If the vendor is listed as “does not” the CH may proceed with the purchase.

2) If the vendor is listed as “does” and the item is on the Product Service Code (PSC) listing found in reference (c) and there is an approved waiver the CH may proceed with the purchase.

3) If the vendor is listed as “does” and the item is not listed on the PSC the CH is prohibited from making the purchase.

(b) An alternate method to sam.gov is to send a blank body email to info@section889request.com with the vendor’s UEI or CAGE Code as the subject and the Robotic Process Automation will respond within five minutes.

(c) If the vendor is not listed in sam.gov the CH will have the vendor complete Enclosure (1) and retain with supporting documentation. Enclosure (1) will remain effective for one calendar year once completed. A new representation certification is required annually. If the vendor supplies Section 889 representation on another government agencies’ version of enclosure (1) it sufficiently covers this requirement.

4. CH must make a log entry of the purchase in PaymentNet. The CH will choose the appropriate selection from the Section 889 dropdown in PaymentNet using the below table as guidance;

Allowable Purchase Log Entries	Applicability
889 Merchant Rep	Merchant provided the required 889 representation at Federal Acquisition Regulation (FAR) 52.204-24(d) (2) with a “does not” response; the CH relied upon the representation to make the purchase.
889 ODNI	Merchant provided the required 889 representation at FAR 52.204-24(d) (2) with a “does” response, but it has been determined the required supplies/services are included in a Product Service Code (PSC) covered by Reference (c); the CH relied upon the waiver to make the purchase.
889 Exception	Merchant has provided the required 889 representation at FAR 52.204-24(d) (2) with a “does” response, but in conjunction with the supporting contracting office, a FAR 52.204-25 (c) exception applies; the CH relied upon the exception to make the purchase. Written approval from the supporting contracting office shall be included with the transaction supporting data.
889 Payment	CH was not required to obtain the required 889 representation at FAR 52.204-24(d) (2) because the NAF PC was used only as a method of payment. Examples include: <ul style="list-style-type: none"> - payments against a contract - to fulfill intra/inter-governmental requirements - to make payment against commercial training requests in accordance with NAF PC policy
889 Non-Compliant	CH purchased supplies/services without obtaining the required 889 representation at FAR 52.204-24(d) (2), that were not covered by an ODNI waiver, an Executive Agency waiver, or a FAR authorized exception. The purchase was NOT in compliance with NAF PC policy.

5. This interim policy will remain in effect until such time it is codified in the next revision of CNIC PC SOP, or a waiver/exception for procurements is granted.

6. My point of contact for this subject is Donald Shackleton, whom you may reach at 901-874-6501 or donald.shackleton@navy.mil.

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