

DISTRIBUTION:

AAC/PK
AEDC/PK
AFFTC/PK
AFRL/PK
ASC/PK
ESC/PK
311th HSW/PK
OC-ALC/PK
OO-ALC/PK
SA-ALC/PK
SM-ALC/PK
SMC/PK
WR-ALC/PK

CC:

AFOSR/PK
AFRL/HEK
AFRL/IFK
AFRL/MNK
CPSG/RMK
ESC/PIW
OO-ALC/PKL
MSG/PK
SSG/PK
DET 1 AFRL/PK
DET 8 AFRL/PK
38 EIG/PKW
USAFE/LGC

HQ AFMC/PKA/PKL/PKO/PKP/PKS/PKT/PKX



DEPARTMENT OF THE AIR FORCE
AIR FORCE MATERIEL COMMAND
WRIGHT-PATTERSON AIR FORCE BASE OHIO

7 Jan 1999

MEMORANDUM FOR SEE DISTRIBUTION

FROM: HQ AFMC/PKP
4375 Chidlaw Road, Suite 6
Wright-Patterson AFB OH 45433-5006

SUBJECT: Changes to Tax Laws and Military Base Privileges for Contractor
Employees in the Federal Republic of Germany

1. Recent changes to Article 73 of the NATO Status of Forces Agreement (SOFA) agreed to by the United States and the Federal Republic of Germany may significantly increase the costs associated with contracts performed by contractor employees working in Germany. The agreement, dated 27 March 1998, places new restrictions on who qualifies for "technical expert status" and moved the approval process from U.S. to German officials. As a result, many contractor employees will lose their tax exemption status and other privileges. In addition, the time to process applications for technical expert status has increased significantly and now takes approximately 18 weeks.
2. Qualifying for "technical expert status" is an important benefit because it exempts contractor employees from U.S. and German taxes, allows them to use the Base Exchange and Commissary, permits their dependants to attend U.S. schools, and provides for postal privileges. Prior to the 27 March 1998 agreement, U.S. officials unilaterally determined who qualified for technical expert status and reported them to the German government. Under the new agreement, German officials are now the approval authority for "technical expert status." Technical expert status is limited to individuals with a "high degree of skill or knowledge for the accomplishment of tasks that are of a technical-military or technical-scientific nature." To qualify as a technical expert, an individual's skill and knowledge must have been acquired through higher education or a long period of specialized training and experience.
3. U.S. Army Europe (USAREUR) is the single office for processing technical expert status accreditation (TESA) for DoD contractors. Questions on the application process should be addressed to Mr. William Bryant, DOCPER, DSN: 314-375-8505, Commercial 011-49-621-478-8505, or E-mail: william.bryant@cpoceur.army.mil. Details on application procedures for TESA and additional information on Article 73 can also be accessed at their web site: www.chrma.hqusareur.army.mil/docper.

4. USAFE points of contact that can provide you with advise and assistance are Mr. Larry Edwards, DSN 314-480-5910 or E-mail: larry.edwards@ramstein.af.mil; or Ms. Ruth Renegar, DSN 314-480-5910 or E-mail: ruth.renegar@ramstein.af.mil. Our point of contact is Captain Doug Wells, HQ AFMC/PKPA, DSN 787-0181 or E-mail: wellsdh@wpgate1.wpafb.af.mil.

151

AVERY P. SLEDGE, JR., Col, USAF
Chief, Contracting Policy Division
Directorate of Contracting

cc: HQ AFMC/PKO/PKL



DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCES IN EUROPE
RAMSTEIN AIR BASE, GERMANY

13 OCT 2000

MEMORANDUM FOR SAF/AQC
ALL MAJCOM/LGCs
AFMC/PK

FROM: HQ USAFE/LGC
Unit 3050 Box 110
APO AE 09094-0110

SUBJECT: Technical Expert Status in Germany

1. Attached is a list of contracts sorted by MAJCOM—all which have technical expert requirements. The German authorities have already reviewed the contractor employees under these contracts to determine their status under the technical expert status rules.
2. For future contracts, please let this serve as a reminder to your PCOs of the requirements for technical expert status review if the contract in whole or part will be performed in Germany. Legally, the contractor employees cannot begin work in Germany with logistic support (on a PCS or TDY basis) until the German authorities have determined their technical expert status. If they do begin work prior to that determination, the contractor employee, the contractor, and the US Government could be liable for German taxes.
3. I recommend your PCOs review the attached list to ensure it contains all of the active contracts where contractor employees are performing in Germany. If there are some missing, there is a good chance that the employees are working in Germany illegally. For this they could be subject to German taxes or criminal prosecution. If an incumbent contractor receives award for follow-on contract, all employees must be reviewed and approved for TE status under new contract regardless of their TE status under previous contract.
4. If you or your PCOs have any questions on technical expert status in Germany, please do not hesitate to contact my POC, Mrs. Irene Morris, DSN 480-5551, irene.morris2@ramstein.af.mil.


STEVEN D. KAHNE, Colonel, USAF
Chief, Contracting Division
Directorate of Logistics

Enclosure:
Contract Listing

| MAJCOM | CONTRACTOR | CONTRACT NUMBER | CUSTOMER (GSA) |
|---|--|--|--|
| AMC-SCOTT AMC-SCOTT | ACS GOV SOLUTIONS SAIC | GS-35F-4415G FA4452-00-F-0060 | |
| AFMC-HANSCOM AFMC-KELLY AFMC-HANSCOM AFMC-BROOKS AFMC-HANSCOM AFMC-ROMELAB AFMC-W.P. AFMC-W.P. AFMC-MCCLELLAN AFMC-ROBINS AFMC-ROBINS AFMC-HANSCOM AFMC-TINKER AFMC-W.P. AFMC-LOS ANGELES AFMC-W.P. AFMC-W.P. AFMC-TINKER AFMC-EGLIN AFMC-HANSCOM AFMC-W.P. AFMC-MCCLELLAN AFMC-HANSCOM AFMC-W.P. AFMC-TINKER AFMC-W.P. AFMC-ROBINS AFMC-HANSCOM | ANALYTICAL SYS ENGINEER CACI, INC. COMPUTER SCIENCES CORP. CHOCTAW CORDANT GTE GENERAL ELECTRIC GENERAL ELECTRIC GTE GTE GTE JAYCO LEAR SIEGLER LITTON SYSTEMS INTL LOCKHEED MARTIN LOCKHEED MARTIN LOCKHEED MARTIN LOCKHEED MARTIN METRIC SYSTEMS THE MITRE CORP PRATT & WHITNEY RAYTHEON RAYTHEON SYSTEMS CO. RAYTHEON SYSTEMS RAYTHEON AEROSPACE CO. RAYTHEON AEROSPACE CO SMITH INDUSTRIES WANG | F19628-99-A-0003 F41621-96-D-5002 F19628-98-F-0047 F41622-98-D-0004 F19628-96-D-0003 F30602-96-C-0195 F33657-98-D-0019 F33600-00-C-0027 F04606-91-D-0264 F09603-97-D-0008 F09603-91-D-0999 F19630-93-D-0001 F34601-95-C-0538 F33600-00-C-0017 F04701-95-C-0017 F33600-99-D-0018 F33657-96-C-0034 F34601-97-D-0424 F08626-98-C-0029 F19628-99-C-0001 F33657-98-D-0018 F04606-96-D-0060 F19628-97-D-0011 F33657-98-G-3000 F34601-94-C-0950 F34601-97-D-0425 F09603-99-C-0144 F19628-93-D-0019 | |
| AFSPC-GSA/DENVER AFSPC-SCHRIEVER | LOCKHEED MARTIN TRW, INC. | GS-00T99ALD0205 F05604-95-D-9001 | 3 SCS |
| AETC-GUNTER | UNISYS | F01620-98-D-0001 | |
| GSA-K.C. GSA-K.C. GSA-K.C. GSA-K.C. GSA-BOSTON GSA-K.C. GSA-K.C. GSA-K.C. GSA-ARLINGTON GSA-ARLINGTON | DIGITAL EQUIPMENT CORP. DYNACORP ENGINEERING SYS SOLUTION LITTON PRC LOCKHEED MARTIN LOGICON, INC. NCI, INC. PLANNING TECHNOLOGIES WANG | GS-35F-4663G GS-35F-4639H GS06K97BND0536 GS-35F-4340D GS-35F-4863G GS-35F-4506G GS-35F-4014G GS-35F-0591J GS-35F-0045K | USAFE WPC 86 CPTS HQ AFOSI/5 FIR USAFE CSS 52 OSS HQ USAFE DO USAFE CSS USAFE XP USAFE CSS |
| USAFE USAFE USAFE USAFE USAFE USAFE | AB TECHNOLOGIES BOEING ITT LITTON (SUBCONTRACTOR) LOCKHEED MARTIN LOCKHEED MARTIN LOCKHEED MARTIN | F61521-99-F-3701 F61521-99-C-5001 F61521-98-C-5002 F61521-99-D-5000 F61521-95-C-5002 F61521-96-C-5006 F61521-99-C-5005 | |

| | | | |
|---|---|---|------|
| USAFE USAFE USAFE USAFE | MEI TECH CORP SAIC SAIC SYSTEMS ENGINEERING | F61521-97-C-5001 F61521-99-F-0036 F61521-99-D-5000 F61521-98-R-5005 | (TC) |
| PENTAGON | ANSER | GS-35F-4593G | |
| NASA | JPL | NAS7-1407 | |
| ARMY-FTHUACHUCA ARMY-ROUNDBUSCH-VA ARMY-PENTAGON-DSS ARMY-FBMAMMOUTH | COMPUTER SCIENCES CORP COMMUNICATIONS PRODUCT ELECTRONIC DATA SYSTEMS THE MITRE CORP | GS-35F-4381G V583P-3087 DASW01-98-D-0029 DAAB07-99-C-201 | |
| NAVY-MARYLAND NAVY-MARYLAND NAVY-PENNSYLVANIA NAVY-CALIFORNIA NAVY-CALIFORNIA | LOCKHEED MARTIN RAYTHEON SAIC VECTOR DATA SYSTEMS VISICOM | N00019-00-D-0279 N0019-97-D-2003 GS-35F-4461G N00244-99-D-0136 N66001-98-D-5010 | |