



THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

JUL 29 2013

ACQUISITION,
TECHNOLOGY
AND LOGISTICS

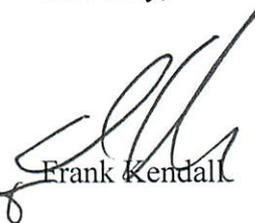
The Honorable Carl Levin
Chairman
Committee on Armed Services
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

Pursuant to section 8027(b) of the Department of Defense Appropriations Act, 2012 (Division A of Public Law 112-74), enclosed is the required report for Department of Defense purchases from foreign entities in FY 2012. The report separately identifies the dollar value of items for which the Buy American Act was waived pursuant to a reciprocal defense procurement memorandum of understanding, the Trade Agreements Act of 1979, or any other international agreement to which the United States is a party.

Identical letters have been sent to the President of the Senate, the Speaker of the House, and the other congressional defense committees.

Sincerely,



Frank Kendall

Enclosure:
As stated

cc:
The Honorable James M. Inhofe
Ranking Member



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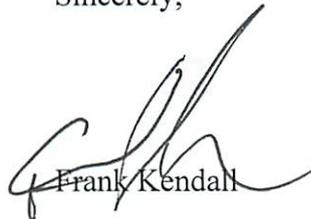
The Honorable Howard P. "Buck" McKeon
Chairman
Committee on Armed Services
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

Pursuant to section 8027(b) of the Department of Defense Appropriations Act, 2012 (Division A of Public Law 112-74), enclosed is the required report for Department of Defense purchases from foreign entities in FY 2012. The report separately identifies the dollar value of items for which the Buy American Act was waived pursuant to a reciprocal defense procurement memorandum of understanding, the Trade Agreements Act of 1979, or any other international agreement to which the United States is a party.

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Sincerely,



Frank Kendall

Enclosure:
As stated

cc:
The Honorable Adam Smith
Ranking Member



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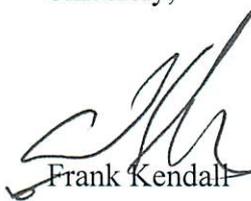
The Honorable Richard J. Durbin
Chairman
Subcommittee on Defense
Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

Pursuant to section 8027(b) of the Department of Defense Appropriations Act, 2012 (Division A of Public Law 112-74), enclosed is the required report for Department of Defense purchases from foreign entities in FY 2012. The report separately identifies the dollar value of items for which the Buy American Act was waived pursuant to a reciprocal defense procurement memorandum of understanding, the Trade Agreements Act of 1979, or any other international agreement to which the United States is a party.

Identical letters have been sent to the President of the Senate, the Speaker of the House, and the other congressional defense committees.

Sincerely,



Frank Kendall

Enclosure:
As stated

cc:
The Honorable Thad Cochran
Ranking Member



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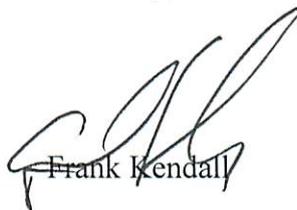
The Honorable C.W. Bill Young
Chairman
Subcommittee on Defense
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

Pursuant to section 8027(b) of the Department of Defense Appropriations Act, 2012 (Division A of Public Law 112-74), enclosed is the required report for Department of Defense purchases from foreign entities in FY 2012. The report separately identifies the dollar value of items for which the Buy American Act was waived pursuant to a reciprocal defense procurement memorandum of understanding, the Trade Agreements Act of 1979, or any other international agreement to which the United States is a party.

Identical letters have been sent to the President of the Senate, the Speaker of the House, and the other congressional defense committees.

Sincerely,



Frank Kendall

Enclosure:
As stated

cc:
The Honorable Peter J. Visclosky
Ranking Member



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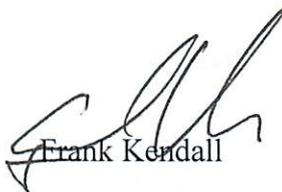
The Honorable John A. Boehner
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

Pursuant to section 8027(b) of the Department of Defense Appropriations Act, 2012 (Division A of Public Law 112-74), enclosed is the required report for Department of Defense purchases from foreign entities in FY 2012. The report separately identifies the dollar value of items for which the Buy American Act was waived pursuant to a reciprocal defense procurement memorandum of understanding, the Trade Agreements Act of 1979, or any other international agreement to which the United States is a party.

Identical letters have been sent to the President of the Senate and the congressional defense committees.

Sincerely,



Frank Kendall

Enclosure:
As stated



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ACQUISITION,
TECHNOLOGY
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JUL 29 2013

The Honorable Joseph R. Biden Jr.
President of the Senate
United States Senate
Washington, DC 20510

Dear Mr. President:

Pursuant to section 8027(b) of the Department of Defense Appropriations Act, 2012 (Division A of Public Law 112-74), enclosed is the required report for Department of Defense purchases from foreign entities in FY 2012. The report separately identifies the dollar value of items for which the Buy American Act was waived pursuant to a reciprocal defense procurement memorandum of understanding, the Trade Agreements Act of 1979, or any other international agreement to which the United States is a party.

Identical letters have been sent to the Speaker of the House and the congressional defense committees.

Sincerely,

A handwritten signature in black ink, appearing to read "Frank Kendall", is positioned above the printed name.

Frank Kendall

Enclosure:
As stated

**REPORT TO CONGRESS ON
DEPARTMENT OF DEFENSE
FISCAL YEAR 2012 PURCHASES
FROM FOREIGN ENTITIES**



Office of the Under Secretary of Defense for
Acquisition, Technology, and Logistics

July 2013

The estimated cost of report for the Department of Defense is approximately \$7,440 for the 2013 Fiscal Year. This includes \$5 in expenses and \$7,430 in DoD labor.
Cost estimate generated on May 2, 2013 RefID: 0-CDD8195

Background.

Pursuant to section 8027(b) of the Department of Defense (DoD) Appropriations Act, 2012 (Division A of Public Law 112-74), this is the required report on DoD purchases from foreign entities in FY 2012. The report is to separately indicate the dollar value of items for which the Buy American Act (BAA) was waived pursuant to any reciprocal defense procurement memorandum of understanding (MOU), the Trade Agreements Act (TAA), or any international agreement to which the United States is a party.

Discussion.

The information contained in this report is based on FY 2012 contract data from the Federal Procurement Data System – Next Generation (FPDS-NG) and data compiled and distributed by the DoD Defense Manpower Data Center, Statistical Analysis Information Division. The FPDS-NG data addresses contracting procedures, competition, financing, statutory requirements, socioeconomic programs, and other information relating to DoD acquisitions. The data was then certified by the Military Departments and Defense Agencies.

Section 1 – All procurements from foreign entities

DoD procurement actions recorded and certified in FPDS-NG during FY 2012 totaled approximately \$360 billion. Of that amount, approximately \$22 billion or 6.1 percent was expended on purchases from foreign entities. A detailed breakout of the dollars by country is contained in Table 1.

The \$22 billion covers military hardware, subsistence, fuel, construction, services, and other miscellaneous items. Defense equipment constitutes approximately 10 percent of the purchases from foreign entities. Fuel, services, construction, and subsistence account for approximately 77 percent of the total purchases from foreign entities. The remaining 13 percent of the purchases cover a variety of categories. Table 2 provides a breakout of the \$22 billion by category and percentage of the total.

Section 2 – Dollar value of manufactured articles for which the restrictions of the BAA were not applied pursuant to MOUs, the TAA, or other international agreements

The restrictions of the BAA were not applied to 36,036 DoD purchases totaling \$12.5 billion due to waivers, authorized exceptions, and inapplicability. The breakout of these purchases is as follows:

- The total authorized *wavers* pursuant to MOUs, the TAA, or other international agreements represented 4,634 purchases totaling approximately \$1.1 billion.

- The total authorized *exceptions* to the BAA represented 4,691 purchases for approximately \$.8 billion. These exceptions provided in the law include: (1) manufactured outside the United States – Resale; (2) manufactured outside the United States – Commercial Information Technology; (3) manufactured outside the United States – Public Interest Determinations; (4) manufactured outside the United States – Determination made based on Domestic Non-Availability; and (5) manufactured outside the United States – Unreasonable Cost of Domestic End Product.
- The remaining 27,625 purchases totaling approximately \$10.6 billion represent those for which the restrictions of the BAA *are not applicable* because they are for items manufactured and used outside the United States.

Table 3 provides a detailed breakout of the actions and dollars by category and an explanation of the authority for each of the categories.

Table 1

DEPARTMENT OF DEFENSE PURCHASES FROM FOREIGN ENTITIES - FY 2012

The following list includes ALL DoD purchases with foreign entities for supplies, services, fuel and construction

Country	Actions	Dollars
AFGHANISTAN	19,616	\$4,955,989,860.82
ALBANIA	15	\$756,349.44
ALGERIA	1	\$32,585.00
AMERICAN SAMOA [UNITED STATES]	3	\$3,294.75
ANGUILLA [UNITED KINGDOM]	6	\$414,563.99
ANTIGUA AND BARBUDA	3	-\$19,205.00
ARGENTINA	4	\$12,636.65
ARMENIA	5	\$848,187.02
ARUBA [NETHERLANDS]	3	\$142,695.00
AUSTRALIA	117	\$7,981,289.38
AUSTRIA	26	\$954,436.43
AZERBAIJAN	3	-\$449,336.32
BAHAMAS,THE	2,129	\$68,752,293.70
BAHRAIN	1,902	\$46,243,188.66
BANGLADESH	202	\$21,371,068.22
BARBADOS	80	\$10,118,040.08
BELGIUM	2,780	\$163,735,844.48
BELIZE	14	\$2,756,805.76
BENIN	16	\$2,273,118.39
BERMUDA [UNITED KINGDOM]	3	\$64,637.88
BHUTAN	1	\$80,000.00
BOLIVIA	1	\$0.00
BOSNIA AND HERZEGOVINA	18	\$1,775,686.16
BOTSWANA	65	\$854,008.35
BRAZIL	8	\$18,166.01
BRITISH INDIAN OCEAN TERRITORY [UNITED KINGDOM]	19	\$367,349.66
BRITISH VIRGIN ISLANDS [UNITED KINGDOM]	2	\$2,970.00
BRUNEI	3	\$72,133.19
BULGARIA	33	\$8,017,016.74
BURKINA FASO	17	\$943,233.59
CAMBODIA	278	\$11,163,514.61
CAMEROON	20	\$847,955.71
CANADA	12,143	\$715,880,119.78
CENTRAL AFRICAN REPUBLIC	20	\$882,933.09
CHILE	36	\$1,647,374.12
CHINA	42	\$8,291,891.78
COLOMBIA	751	\$22,296,703.96
COMOROS	19	\$37,622.23
CONGO,DEMOCRATIC REPUBLIC OF THE (KINHASA)	2	\$0.00

Table 1

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The following list includes ALL DoD purchases with foreign entities for supplies, services, fuel and construction

Country	Actions	Dollars
COSTA RICA	12	\$2,867,268.22
COTE D'IVOIRE	12	\$0.00
CROATIA	92	\$22,955,948.60
CUBA	4	\$2,400,931.00
CYPRUS	1	\$1,440,600.00
CZECH REPUBLIC	2	\$0.00
DENMARK	11,866	\$16,984,016.64
DJIBOUTI	244	\$45,306,197.13
DOMINICAN REPUBLIC	14	\$110,358.74
EAST TIMOR (TIMOR-LESTE)	8	\$354,009.42
ECUADOR	2	\$2,739,936.47
EGYPT	297	\$12,716,629.01
EL SALVADOR	21	\$3,646,141.12
ESTONIA	7	\$1,815,727.69
ETHIOPIA	170	\$10,026,425.95
FIJI	3	\$4,365.00
FINLAND	18	\$761,777.68
FRANCE	4,172	\$507,269,907.67
GABON	183	\$21,915,934.28
GAMBIA, THE	8	\$158,292.55
GEORGIA	47	\$1,970,337.94
GERMANY	39,816	\$1,820,538,888.43
GHANA	54	\$3,266,110.47
GIBRALTAR [UNITED KINGDOM]	11	\$3,330,989.58
GREECE	351	\$427,323,237.16
GREENLAND [DENMARK]	73	\$138,780,868.34
GRENADA	2	\$0.00
GUAM [UNITED STATES]	4	\$36,603.60
GUATEMALA	247	\$15,143,218.05
GUYANA	79	\$1,482,725.58
HAITI	32	\$448,408.41
HONDURAS	361	\$15,800,583.93
HONG KONG	62	\$650,209.17
HUNGARY	18	\$396,923.82
ICELAND	9	\$2,391,959.93
INDIA	41	\$1,165,635.02
INDONESIA	135	\$10,768,561.71
IRAQ	1,931	\$146,705,989.79
IRELAND	4	\$377,505.00

Table 1

DEPARTMENT OF DEFENSE PURCHASES FROM FOREIGN ENTITIES - FY 2012

The following list includes ALL DoD purchases with foreign entities for supplies, services, fuel and construction

Country	Actions	Dollars
ISRAEL	248	\$68,091,363.59
ITALY	7,331	\$443,732,386.37
JAMAICA	9	\$3,535,524.34
JAPAN	12,703	\$1,143,789,800.47
JORDAN	111	\$26,907,841.24
KAZAKHSTAN	33	\$29,973,028.21
KENYA	174	\$2,503,287.95
KIRIBATI	48	\$2,745,375.65
KOSOVO	176	\$10,962,455.79
KUWAIT	1,091	\$879,187,395.14
KYRGYZSTAN	149	\$1,173,211,996.01
LAOS	84	\$8,300,731.65
LATVIA	18	\$1,353,330.86
LEBANON	7	\$62,600.00
LESOTHO	2	\$132,372.55
LIBERIA	39	\$803,940.89
LIECHTENSTEIN	1	\$16,420.00
LITHUANIA	3	\$448,893.00
LUXEMBOURG	14	-\$351,871.38
MACEDONIA	6	\$41,941.20
MADAGASCAR	1	\$5,732.82
MALAWI	2	\$299,444.13
MALAYSIA	80	\$2,508,542.47
MALDIVES	1	\$275,540.00
MALI	47	\$1,332,436.20
MALTA	210	\$701,356.01
MARSHALL ISLANDS	3	\$56,468.69
MAURITANIA	6	\$106,243.75
MAURITIUS	2	-\$1,500.00
MEXICO	5	\$52,450.45
MICRONESIA,FEDERATED STATES OF	25	\$1,205,963.26
MOLDOVA	7	\$427,399.52
MONGOLIA	35	\$862,886.34
MONTENEGRO	5	\$38,194.99
MOROCCO	22	\$1,423,108.13
NEPAL	22	\$2,206,077.86
NETHERLANDS	2,331	\$30,614,815.84
NETHERLANDS ANTILLES [NETHERLANDS]	6	\$153,491.92
NEW ZEALAND	25	\$56,284,236.59

Table 1

DEPARTMENT OF DEFENSE PURCHASES FROM FOREIGN ENTITIES - FY 2012

The following list includes ALL DoD purchases with foreign entities for supplies, services, fuel and construction

Country	Actions	Dollars
NICARAGUA	12	\$2,310,379.83
NIGER	2	\$0.00
NIGERIA	10	-\$106,232.02
NORWAY	75	\$8,253,284.05
OMAN	93	\$43,732,041.91
PAKISTAN	57	\$4,238,186.14
PALAU	5	\$39,784.90
PANAMA	75	\$3,358,083.56
PAPUA NEW GUINEA	25	\$2,054,421.56
PARAGUAY	8	\$225,102.36
PERU	495	\$10,533,000.67
PHILIPPINES	918	\$63,529,221.99
POLAND	39	\$772,799.82
PORTUGAL	450	\$11,700,250.02
QATAR	538	\$200,449,111.12
REPUBLIC OF SOUTH SUDAN	1	\$1,210.00
ROMANIA	72	\$1,391,010.97
RUSSIA	17	\$217,816,757.99
RWANDA	1	\$0.00
SAINT KITTS AND NEVIS	2	\$85,922.72
SAINT PIERRE AND MIQUELON [FRANCE]	1	\$7,170.03
SAO TOME AND PRINCIPE	3	\$5,507,150.28
SAUDI ARABIA	761	\$411,382,470.04
SENEGAL	17	\$2,331,504.08
SERBIA	10	\$462,388.82
SEYCHELLES	8	\$454,965.40
SIERRA LEONE	3	\$97,000.00
SINGAPORE	1,136	\$212,524,701.30
SLOVAKIA	4	\$12,984.41
SOMALIA	5	\$1,115,969.02
SOUTH AFRICA	347	\$12,733,573.86
SOUTH KOREA	19,258	\$1,552,383,938.77
SPAIN	3,630	\$213,268,511.79
SRI LANKA	24	\$77,882.90
SUDAN	2	\$120,300.00
SWEDEN	800	\$146,638,568.95
SWITZERLAND	31,980	\$2,872,001,042.74
TAIWAN, PROVINCE OF CHINA	1	\$0.00
TAJIKISTAN	5	\$4,299,290.24

Table 1

DEPARTMENT OF DEFENSE PURCHASES FROM FOREIGN ENTITIES - FY 2012

The following list includes ALL DoD purchases with foreign entities for supplies, services, fuel and construction

Country	Actions	Dollars
TANZANIA	17	\$341,668.59
THAILAND	813	\$95,516,658.06
TOGO	2	\$366,259.81
TONGA	2	\$17,972.11
TRINIDAD AND TOBAGO	3	-\$2,320.15
TUNISIA	2	\$2,873,284.00
TURKEY	1,262	\$73,601,163.25
TURKMENISTAN	1	-\$4,494,616.40
UGANDA	124	\$3,900,631.56
UKRAINE	69	\$2,882,681.87
UNITED ARAB EMIRATES	10,084	\$1,433,148,554.05
UNITED KINGDOM	5,845	\$599,251,205.22
UNITED STATES	5,796	\$317,795,001.75
URUGUAY	1	\$48,265.00
UZBEKISTAN	1	-\$4,679,377.63
VANUATU	2	\$224,225.00
VIETNAM	142	\$11,936,156.89
YEMEN	2	\$76,360.00
ZAMBIA	49	\$5,979,894.22
Grand Total	211,008	\$21,737,803,376.33

Table 2

DoD PURCHASES FROM FOREIGN ENTITIES BY CLAIMANT CODE - FY 2012			
DOD Claimant Program	Dollars	Percent	
Airframes and Spares	\$507,846,706.00	2.336%	
Aircraft Engines and Spares	\$53,030,659.37	0.244%	
Other Aircraft Equipment	\$234,950,109.93	1.081%	
Missile and Space Systems	\$26,732,867.61	0.123%	
Ships	\$181,760,006.58	0.836%	
Combat Vehicles	\$392,734,468.35	1.807%	
Non-Combat Vehicles	\$68,266,294.21	0.314%	
Weapons	\$245,202,001.70	1.128%	
Ammunition	\$197,113,813.06	0.907%	
Electronics and Communications Equipment	\$174,281,687.49	0.802%	
Petroleum	\$7,240,284,623.49	33.307%	
Other Fuels and Lubricants	\$11,468,414.66	0.053%	
Containers and Handling Equipment	\$222,686.06	0.001%	
Textiles, Clothing and Equipage	\$2,649,288.66	0.012%	
Building Supplies	\$5,267,222.54	0.024%	
Subsistence	\$3,348,078,984.96	15.402%	
Transportation Equipment (Railway)	-\$11,521.83	0.000%	
Production Equipment	\$9,475,467.23	0.044%	
Construction	\$3,077,347,337.10	14.157%	
Construction Equipment	\$4,009,913.18	0.018%	
Medical and Dental Supplies and Equipment	\$49,320,469.48	0.227%	
Photographic Equipment and Supplies	\$879,601.95	0.004%	
Materials and Handling Equipment	\$32,728,953.92	0.151%	
All Other Supplies/Equipment	\$2,818,407,397.18	12.965%	
Services	\$3,055,756,535.45	14.057%	
Not Coded	-\$612.00	0.000%	
Grand Total	\$21,737,803,376.33	100.000%	

Table 3

**NUMBER OF PURCHASES AND DOLLAR VALUE OF MANUFACTURED ARTICLES
FOR WHICH THE RESTRICTIONS OF THE BAA WERE NOT APPLIED IN FISCAL YEAR 2012**

Authority	Number	Dollars
Waivers of the Buy American Act		
Qualifying Countries	3,449	\$948,500,670.50
WTO GPA and Free Trade Agreements	1,185	\$132,888,032.94
Authorized Exceptions to the Buy American Act		
Resale	443	\$16,271,606.66
Commercial IT	1,150	\$139,835,352.48
Public Interest Exception	98	\$15,115,512.35
Domestic Non-availability Determinations	1,942	\$664,531,362.65
Unreasonable Cost	144	\$3,561,787.22
The Buy American Act does not apply		
Use outside the U.S.	27,625	\$10,618,618,653.87
Total	36,036	\$12,539,322,978.67