



THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3010

ACQUISITION,  
TECHNOLOGY  
AND LOGISTICS

JUN 03 2014

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

Dear Mr. Chairman:

Pursuant to section 8027 of the Consolidated and Further Continuing Appropriations Act, 2013, Public Law 113-6, enclosed is the required report for Department of Defense purchases from foreign entities in FY 2013. The report separately identifies the dollar value of items for which the Buy American Act was waived pursuant to a reciprocal defense memorandum of understanding, the Trade Agreements Act of 1979, or any other international agreement to which the United States is a party.

An identical letter has 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



ACQUISITION,  
TECHNOLOGY  
AND LOGISTICS

THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3010

JUN 03 2014

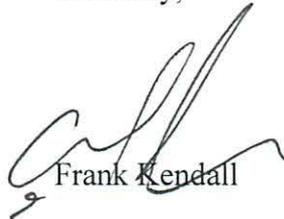
The Honorable Howard P. "Buck" McKeon  
Chairman  
Committee on Armed Services  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Chairman:

Pursuant to section 8027 of the Consolidated and Further Continuing Appropriations Act, 2013, Public Law 113-6, enclosed is the required report for Department of Defense purchases from foreign entities in FY 2013. The report separately identifies the dollar value of items for which the Buy American Act was waived pursuant to a reciprocal defense memorandum of understanding, the Trade Agreements Act of 1979, or any other international agreement to which the United States is a party.

An identical letter has 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 Adam Smith  
Ranking Member



ACQUISITION,  
TECHNOLOGY  
AND LOGISTICS

THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3010

JUN 03 2014

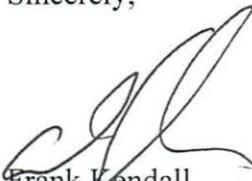
The Honorable Richard J. Durbin  
Chairman  
Subcommittee on Defense  
Committee on Appropriations  
United States Senate  
Washington, DC 20510

Dear Mr. Chairman:

Pursuant to section 8027 of the Consolidated and Further Continuing Appropriations Act, 2013, (Public Law 113-6), enclosed is the required report for Department of Defense purchases from foreign entities in FY 2013. The report separately identifies the dollar value of items for which the Buy American Act was waived pursuant to a reciprocal defense memorandum of understanding, the Trade Agreements Act of 1979, or any other international agreement to which the United States is a party.

An identical letter has 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  
Vice Chairman



ACQUISITION,  
TECHNOLOGY  
AND LOGISTICS

THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3010

JUN 03 2014

The Honorable Rodney P. Frelinghuysen  
Chairman  
Subcommittee on Defense  
Committee on Appropriations  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Chairman:

Pursuant to section 8027 of the Consolidated and Further Continuing Appropriations Act, 2013, (Public Law 113-6), enclosed is the required report for Department of Defense purchases from foreign entities in FY 2013. The report separately identifies the dollar value of items for which the Buy American Act was waived pursuant to a reciprocal defense memorandum of understanding, the Trade Agreements Act of 1979, or any other international agreement to which the United States is a party.

An identical letter has been sent to the President of the Senate, the Speaker of the House, and the other congressional defense committees.

Sincerely,

A handwritten signature in black ink, appearing to read "Frank Kendall".

Frank Kendall

Enclosure:  
As stated

cc:  
The Honorable Peter J. Visclosky  
Ranking Member



THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3010

ACQUISITION,  
TECHNOLOGY  
AND LOGISTICS

JUN 03 2014

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

Dear Mr. Chairman:

Pursuant to section 8027 of the Consolidated and Further Continuing Appropriations Act, 2013, (Public Law 113-6), enclosed is the required report for Department of Defense purchases from foreign entities in FY 2013. The report separately identifies the dollar value of items for which the Buy American Act was waived pursuant to a reciprocal defense memorandum of understanding, the Trade Agreements Act of 1979, or any other international agreement to which the United States is a party.

An identical letter has been sent to the President of the Senate and the congressional defense committees.

Sincerely,



Frank Kendall

Enclosure:  
As stated



ACQUISITION,  
TECHNOLOGY  
AND LOGISTICS

THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3010

JUN 03 2014

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

Dear Mr. Chairman:

Pursuant to section 8027 of the Consolidated and Further Continuing Appropriations Act, 2013, (Public Law 113-6), enclosed is the required report for Department of Defense purchases from foreign entities in FY 2013. The report separately identifies the dollar value of items for which the Buy American Act was waived pursuant to a reciprocal defense memorandum of understanding, the Trade Agreements Act of 1979, or any other international agreement to which the United States is a party.

An identical has been sent to the Speaker of the House and the congressional defense committees.

Sincerely,



Frank Kendall

Enclosure:  
As stated

**Report to Congress**  
**on**  
**Department of Defense**  
**Fiscal Year 2013 Purchases from Foreign**  
**Entities**



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

May 2014

The estimated cost of this report or study for the Department of Defense is approximately \$1,220 in Fiscal Year 2013. This includes \$5 in expenses and \$1,210 in DoD labor.

Cost estimate generated on May 13, 2014. RefID: 7-A747442

## **Background**

Pursuant to section 8027 of the Consolidated and Further Continuing Appropriations Act, 2013 (Public Law 113-6), this is the required report on Department of Defense (DoD) purchases from foreign entities in FY 2013. The report is intended 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) of 1979, or any international agreement to which the United States is a party.

## **Discussion**

The information contained in this report is based on FY 2013 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. Additionally, this report is modified from prior year's reports to present the data in Table 1 by the foreign entities' country of origin rather than the country where the place of performance occurred. This change is intended to provide a clear picture of purchases by those entities in terms of actions and dollars.

### **Section 1 – All procurements from foreign entities**

DoD procurement actions recorded and certified in FPDS-NG during FY 2013 totaled approximately \$308 billion. Of that amount, approximately \$19.7 billion or 6.4 percent was expended on purchases from foreign entities. A detailed breakout of the dollars by country is contained in Table 1.

The \$19.7 billion covers military hardware, subsistence, fuel, construction, services, and other miscellaneous items. Defense equipment constitutes approximately four percent of the purchases from foreign entities. Fuel, services, construction, and subsistence account for approximately 79 percent of the total purchases from foreign entities. The remaining 17 percent of the purchases cover a variety of categories. Table 2 provides a breakout of the \$19.7 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 28,887 DoD purchases totaling \$13.2 billion due to waivers, authorized exceptions, and inapplicability. The breakout of these purchases is as follows:

- The total authorized *waivers* pursuant to MOUs, the TAA, or other international agreements represented 5,888 purchases totaling approximately \$1.0 billion.
- The total authorized *exceptions* to the BAA represented 3,343 purchases for approximately \$500 million. 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 19,656 purchases totaling approximately \$11.7 billion represent those contract actions 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 2013**

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

<b>Country</b>	<b>Actions</b>	<b>Dollars</b>
AFGHANISTAN	12,163	\$2,421,120,538.97
ANGUILLA [UNITED KINGDOM]	1	-\$41,106.13
ARGENTINA	3	\$103,400.00
ARMENIA	9	\$730,404.00
AUSTRALIA	370	\$8,389,047.86
AUSTRIA	11	\$499,420.36
AZERBAIJAN	4	\$16,829.00
BAHAMAS,THE	2	\$367,406.00
BAHRAIN	4,132	\$720,760,518.43
BANGLADESH	55	\$3,876,064.36
BARBADOS	13	\$203,293.62
BELGIUM	2,651	\$39,131,685.76
BELIZE	32	\$556,081.44
BENIN	5	-\$3,757.91
BERMUDA [UNITED KINGDOM]	32	\$3,064,961.60
BHUTAN	2	\$98,900.00
BOSNIA AND HERZEGOVINA	17	\$5,519,039.82
BOTSWANA	2	\$1,031,250.70
BRAZIL	12	\$234,551.90
BRITISH INDIAN OCEAN TERRITOR'	3	\$120,000.00
BRITISH VIRGIN ISLANDS [UNITED	16	\$7,976,913.38
BRUNEI	2	\$4,853.42
BULGARIA	54	-\$129,485.91
BURKINA FASO	17	\$928,734.45
BURUNDI	10	-\$83,547.00
CAMBODIA	127	\$4,436,939.18
CAMEROON	14	\$939,136.86
CANADA	4,739	\$687,914,544.10
CHAD	1	\$9,000.00
CHILE	3	\$0.00
COLOMBIA	674	\$222,824,325.15
COMOROS	2	\$22,409.06
COSTA RICA	6	\$156,984.08
COTE DIVOIRE	10	-\$501,127.75
CROATIA	39	\$11,097,777.81
CYPRUS	1	\$0.00
CZECH REPUBLIC	1	\$0.00
DENMARK	6,158	\$231,499,001.72
DJIBOUTI	184	\$44,118,891.27
DOMINICAN REPUBLIC	9	\$87,624.39
EAST TIMOR (TIMOR-LESTE)	3	\$12,254.68
ECUADOR	12	-\$51,094.83
EGYPT	75	\$1,518,316.64
EL SALVADOR	82	\$1,586,418.95
ESTONIA	5	\$1,183,896.27

Table 1

ETHIOPIA	68	\$3,449,059.80
FINLAND	25	\$909,995.38
FRANCE	5,268	\$906,429,444.77
FRENCH POLYNESIA	1	\$4,661.50
GABON	8	\$1,232,492.34
GAMBIA,THE	1	\$17,147.92
GEORGIA	34	\$474,791.16
GERMANY	28,574	\$1,246,232,846.70
GHANA	24	\$1,308,693.72
GIBRALTAR [UNITED KINGDOM]	31	-\$7,698,702.55
GREECE	199	\$608,983,338.81
GREENLAND [DENMARK]	6	\$1,174,285.51
GRENADA	5	\$66,358.21
GUATEMALA	132	-\$756,846.84
GUINEA	1	-\$66,615.53
HONDURAS	315	\$20,853,057.31
HONG KONG	52	\$370,972.82
HUNGARY	8	\$141,726.03
ICELAND	8	\$2,785,938.94
INDIA	6	\$146,695.84
INDONESIA	109	\$5,061,124.14
IRAQ	194	\$3,777,469.46
IRELAND	10	\$975,654.97
ISRAEL	208	\$34,971,990.28
ITALY	3,894	\$371,094,021.32
JAPAN	11,223	\$916,880,282.82
JORDAN	258	\$98,048,975.16
KAZAKHSTAN	29	\$19,754,691.94
KENYA	151	\$6,072,971.45
KIRIBATI	4	\$31,223.35
KOSOVO	48	\$194,230.70
KUWAIT	1,077	\$724,939,639.67
KYRGYZSTAN	150	\$362,149,788.44
LAOS	58	\$4,039,722.53
LATVIA	9	\$893,016.67
LEBANON	1	-\$74,447.21
LIBERIA	6	\$128,760.50
LIECHTENSTEIN	1	\$0.00
LITHUANIA	11	\$192,732.34
LUXEMBOURG	135	\$7,801,740.29
MACEDONIA	5	\$563,838.06
MALAWI	3	\$108,953.44
MALAYSIA	50	\$466,827.36
MALI	3	-\$628,498.00
MALTA	193	\$4,625,358.42
MARSHALL ISLANDS	36	\$732,930.54
MAURITANIA	9	\$4,139,695.00
MEXICO	4	\$17,160.62
MICRONESIA,FEDERATED STATES (	53	\$362,130.33

Table 1

MOLDOVA	3	\$241,159.32
MONGOLIA	28	\$1,064,805.94
MONTENEGRO	3	\$657,666.67
MOROCCO	72	\$1,433,370.12
NEPAL	28	\$870,163.53
NETHERLANDS	1,715	\$17,608,611.19
NEW ZEALAND	41	\$3,409,640.15
NICARAGUA	1	-\$1,430.00
NIGER	37	\$913,211.07
NIGERIA	6	-\$103,415.28
NORWAY	162	\$113,746,356.61
OMAN	98	\$37,960,768.58
PAKISTAN	114	-\$5,286,001.15
PALAU	2	\$5,551.30
PANAMA	143	\$60,937,754.42
PAPUA NEW GUINEA	57	\$4,280,055.09
PARAGUAY	1	\$260.03
PERU	668	\$10,633,169.12
PHILIPPINES	800	\$54,387,044.90
POLAND	8	-\$2,596.57
PORTUGAL	254	\$12,903,783.83
QATAR	388	\$33,705,356.37
ROMANIA	78	\$5,314,305.45
RUSSIA	19	\$553,995,476.53
RWANDA	1	\$240,892.53
SAINT KITTS AND NEVIS	10	\$63,261,443.58
SAINT LUCIA	11	\$221,113.81
SAMOA	7	\$567,631.50
SAO TOME AND PRINCIPE	1	\$0.00
SAUDI ARABIA	934	\$799,217,107.08
SENEGAL	11	\$283,765.93
SERBIA	17	\$634,227.71
SERBIA AND MONTENEGRO	3	\$290,233.90
SIERRA LEONE	3	-\$3,244.58
SINGAPORE	1,159	\$175,727,844.61
SOLOMON ISLANDS	5	\$107,337.14
SOMALIA	7	\$590,670.00
SOUTH AFRICA	31	\$1,682,395.13
SOUTH KOREA	15,589	\$1,738,515,431.61
SPAIN	1,217	\$766,714,756.17
SRI LANKA	.18	\$732,960.04
SUDAN	2	\$296,500.00
SWEDEN	35	\$7,244,201.08
SWITZERLAND	26,836	\$2,173,084,788.80
TAIWAN, PROVINCE OF CHINA	3	\$72,765.98
TANZANIA	14	\$796,247.34
THAILAND	362	\$8,945,564.46
TOGO	2	\$39,200.00
TONGA	70	\$1,390,042.41

Table 1

TRINIDAD AND TOBAGO	1	-\$2,333.84
TURKEY	1,403	\$164,783,503.69
UGANDA	40	\$1,119,448.31
UKRAINE	20	\$634,701.27
UNITED ARAB EMIRATES	8,433	\$1,597,250,829.33
UNITED KINGDOM	4,210	\$1,465,139,321.70
UNITED STATES	1,131	\$13,930,530.97
VIETNAM	57	\$4,860,086.09
YEMEN	3	\$17,400.00
ZAMBIA	4	\$916,498.51
<b>Grand Total</b>	<b>150,837</b>	<b>\$19,672,691,551.61</b>

Table 2

## DoD FOREIGN PURCHASES BY CLAIMANT CODE - FY 2013

DOD Claimant Program	Actions	Dollars	Percentage
AIRFRAMES AND SPARES	1,224	\$862,198,823.33	4.38%
AIRCRAFT ENGINES AND SPARES	431	\$54,233,340.70	0.28%
OTHER AIRCRAFT EQUIPMENT	761	\$391,168,400.43	1.99%
MISSILE AND SPACE SYSTEMS	102	\$29,544,530.92	0.15%
SHIPS	5,195	\$233,922,136.27	1.19%
COMBAT VEHICLES	723	\$142,385,324.47	0.72%
NON-COMBAT VEHICLES	340	\$58,925,645.07	0.30%
WEAPONS	560	\$96,511,639.40	0.49%
AMMUNITION	172	\$114,118,371.16	0.58%
ELECTRONICS AND COMMUNICATION EQUIPMENT	803	\$140,115,590.60	0.71%
PETROLEUM	383	\$8,172,435,111.57	41.54%
OTHER FUELS AND LUBRICANTS	357	\$9,792,895.62	0.05%
SEPARATELY PROCURED CONTAINERS AND HANDLING EQUIPMENT	8	\$366,886.63	0.00%
TEXTILES, CLOTHING AND EQUIPAGE	36	\$21,338,782.86	0.11%
BUILDING SUPPLIES	229	\$5,663,657.87	0.03%
SUBSISTENCE	59,819	\$2,468,516,625.45	12.55%
TRANSPORTATION EQUIPMENT (RAILWAY)	14	\$354,525.78	0.00%
PRODUCTION EQUIPMENT	63	\$3,797,601.99	0.02%
CONSTRUCTION	9,797	\$1,921,878,026.69	9.77%
CONSTRUCTION EQUIPMENT	128	\$4,347,714.45	0.02%
MEDICAL AND DENTAL SUPPLIES AND EQUIPMENT	2,677	\$64,416,581.91	0.33%
PHOTOGRAPHIC EQUIPMENT AND SUPPLIES	21	\$720,326.95	0.00%
MATERIALS HANDLING EQUIPMENT	87	\$2,478,228.23	0.01%
ALL OTHERS NOT IDENTIFIABLE TO ANY OTHER PROCUREMENT PROGRAM	27,597	\$1,741,629,968.31	8.85%
SERVICES	39,309	\$3,132,254,836.42	15.92%
NO DATA - UNKNOWN	1	-\$424,021.47	0.00%
<b>Grand Total</b>	<b>150,837</b>	<b>\$19,672,691,551.61</b>	<b>100.00%</b>

Table 3

**NUMBER OF PURCHASES AND DOLLAR VALUE OF MANUFACTURED ARTICLES  
FOR WHICH THE RESTRICTIONS OF THE BAA WERE NOT APPLIED IN FISCAL YEAR 2013**

<b>Authority</b>	<b>Number</b>	<b>Dollars</b>
<b>Waivers of the Buy American Act</b>		
Qualifying Countries	4,715	\$490,311,410.47
WTO GPA and Free Trade Agreements	1,173	\$475,558,421.80
<b>Authorized Exceptions to the Buy American Act</b>		
Resale	381	\$11,900,470.64
Commercial IT	1,016	\$87,167,763.43
Public Interest Exception	98	\$11,134,371.59
Domestic Non-availability Determinations	1,743	\$382,544,211.03
Unreasonable Cost	105	\$2,062,031.81
<b>The Buy American Act does not apply</b>		
Use outside the U.S.	19,656	\$11,744,336,002.80
<b>Total</b>	<b>28,887</b>	<b>\$13,205,014,683.57</b>