



ACQUISITION,  
TECHNOLOGY  
AND LOGISTICS

## THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3010

### FINDINGS, DETERMINATION AND WAIVER OF 10 U.S.C. 2534 FOR CERTAIN DEFENSE ITEMS PRODUCED IN THE UNITED KINGDOM

I hereby make the following findings, determination, and waiver regarding the application of the restrictions of 10 U.S.C. 2534:

#### Findings

1. Subsection 2534(a) of Title 10, United States Code, provides that the Secretary of Defense may procure the items listed in that subsection only if the manufacturer of the item is part of the national technology and industrial base. Subsection (i) authorizes the Secretary of Defense to exercise the waiver authority in subsection (d), on the basis of the applicability of paragraph (2) or (3) of that subsection, only if the waiver is made for a particular item listed in subsection (a) and for a particular foreign country. Subsection (d) authorizes a waiver if the Secretary determines that the application of the limitation "would impede the reciprocal procurement of the defense items under a memorandum of understanding providing for reciprocal procurement of defense items" and if he determines that "that country does not discriminate against defense items produced in the United States to a greater degree than the United States discriminates against defense items produced in that country."
2. The Department of Defense has a Reciprocal Defense Procurement Memorandum of Understanding (MOU) with the United Kingdom (UK) that was signed on December 16, 2004. It is my understanding that the balance of defense trade with the UK is in the United States' favor. We have been advised by British officials that the UK procurement practice is to seek best value through competition. We do not have reason to believe that the UK discriminates against defense items produced in the United States to a greater degree than the United States discriminates against defense items produced in the UK.
3. I find that the UK does not discriminate against defense items produced in the United States to a greater degree than the United States discriminates against defense items produced in the UK. I also find that the application of the limitation in 10 U.S.C. 2534 against defense items produced in the UK would impede the reciprocal procurement of defense items under the MOU.

#### Determination

Under the authority of 10 U.S.C. 2534, I hereby determine that the application of the limitation of 10 U.S.C. 2534(a) to the procurement of any defense item produced in the UK that is listed below would impede the reciprocal procurement of defense items under the MOU with the UK.



## Waiver

I hereby waive the restriction in 10 U.S.C. 2534(a) for procurement of any defense item listed below that is produced in the UK. This waiver applies only to the limitations in 10 U.S.C. 2534(a). It does not apply to any other limitation, including section 8016 of the Department of Defense Appropriations Act, 2006 (Pub. L. 109-148). This waiver applies to procurements under solicitations issued on or after the effective date of this waiver. For contracts entered into prior to the effective date of this waiver, this waiver applies to procurements of defense items listed below under:

(1) subcontracts entered into on or after such effective date, provided the prime contract is modified to provide the Government adequate consideration such as lower cost or improved performance, and

(2) options that are exercised after such effective date if the option prices are adjusted for any reason other than the application of the waiver, and if the contract is modified to provide the Government adequate consideration such as lower cost or improved performance.

### List of Items to which this Waiver Applies

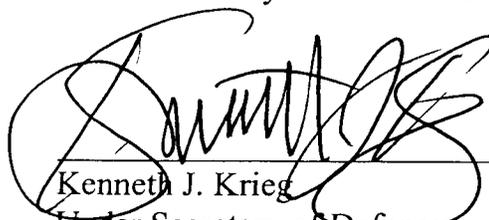
1. Air Circuit Breakers
2. Welded shipboard anchor and mooring chain with a diameter of four inches or less
3. Gyrocompasses
4. Electronic navigation chart systems
5. Steering controls
6. Pumps
7. Propulsion and machinery control systems
8. Totally enclosed lifeboats

### Effective Date

This waiver shall become effective 15 days from the date notice of this determination is published in the Federal Register and submitted to the Congressional Defense Committees, and shall remain in effect for one year after its effective date.

27 JUNE 2006

Date of Signature



Kenneth J. Krieg  
Under Secretary of Defense

(Acquisition, Technology and Logistics)