THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

ACQUISITION,
AND SUSTAINMENT

JUL - 6 2018

The Honorable Michael R. Pence
President of the Senate
United States Senate
Washington, DC 20510

Dear Mr. President:

Title 41, United States Code, section 8305 and section 8029(b) of the Consolidated Appropriations Act, 2017 (Public Law 115-31), require the Department of Defense (DoD) to submit a report on the amount of DoD purchases from foreign entities in that fiscal year. The Department is submitting a combined report to fulfill these reporting requirements. As of February 1, 2018, this reporting requirement is now the responsibility of my office, the Office of the Under Secretary of Defense for Acquisition and Sustainment.

.

Of the $320 billion in total DoD contract obligations in FY 2017, the enclosed report identifies $10.6 billion was expended on purchases from foreign entities. The total dollar value of items for which the Buy American Act was not applied due to waivers, authorized exceptions, and inapplicability, was $6.4 billion.

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

Sincerely,

Ellen M. Lord

Enclosure:
As stated

THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

ACQUISITION,
AND SUSTAINMENT

JUL - 6 2018

The Honorable Paul D. Ryan
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

Title 41, United States Code, section 8305 and section 8029(b) of the Consolidated Appropriations Act, 2017 (Public Law 115-31), require the Department of Defense (DoD) to submit a report on the amount of DoD purchases from foreign entities in that fiscal year. The Department is submitting a combined report to fulfill these reporting requirements. As of February 1, 2018, this reporting requirement is now the responsibility of my office, the Office of the Under Secretary of Defense for Acquisition and Sustainment.

Of the $320 billion in total DoD contract obligations in FY 2017, the enclosed report identifies $10.6 billion was expended on purchases from foreign entities. The total dollar value of items for which the Buy American Act was not applied due to waivers, authorized exceptions, and inapplicability, was $6.4 billion.

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

Sincerely,

Ellen M. Lord

Enclosure:
As stated

THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

ACQUISITION,
AND SUSTAINMENT

JUL - 6 2018

The Honorable William M. "Mac" Thornberry
Chairman
Committee on Armed Services
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

Title 41, United States Code, section 8305 and section 8029(b) of the Consolidated Appropriations Act, 2017 (Public Law 115-31), require the Department of Defense (DoD) to submit a report on the amount of DoD purchases from foreign entities in that fiscal year. The Department is submitting a combined report to fulfill these reporting requirements. As of February 1, 2018, this reporting requirement is now the responsibility of my office, the Office of the Under Secretary of Defense for Acquisition and Sustainment.

Of the $320 billion in total DoD contract obligations in FY 2017, the enclosed report identifies $10.6 billion was expended on purchases from foreign entities. The total dollar value of items for which the Buy American Act was not applied due to waivers, authorized exceptions, and inapplicability, was $6.4 billion.

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

Sincerely,

Ellen M. Lord

Enclosure:
As stated

cc:
The Honorable Adam Smith
Ranking Member

THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

ACQUISITION,
AND SUSTAINMENT

JUL - 6 2018

The Honorable Kay Granger
Chairwoman
Subcommittee on Defense
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Madam Chairwoman:

Title 41, United States Code, section 8305 and section 8029(b) of the Consolidated Appropriations Act, 2017 (Public Law 115-31), require the Department of Defense (DoD) to submit a report on the amount of DoD purchases from foreign entities in that fiscal year. The Department is submitting a combined report to fulfill these reporting requirements. As of February 1, 2018, this reporting requirement is now the responsibility of my office, the Office of the Under Secretary of Defense for Acquisition and Sustainment.

Of the $320 billion in total DoD contract obligations in FY 2017, the enclosed report identifies $10.6 billion was expended on purchases from foreign entities. The total dollar value of items for which the Buy American Act was not applied due to waivers, authorized exceptions, and inapplicability, was $6.4 billion.

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

Sincerely,

Ellen M. Lord

Enclosure:
As stated

cc:
The Honorable Peter J Visclosky
Ranking Member

ACQUISITION,
AND SUSTAINMENT

THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

JUL - 6 2018

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

Dear Mr. Chairman:

Title 41, United States Code, section 8305 and section 8029(b) of the Consolidated Appropriations Act, 2017 (Public Law 115-31), require the Department of Defense (DoD) to submit a report on the amount of DoD purchases from foreign entities in that fiscal year. The Department is submitting a combined report to fulfill these reporting requirements. As of February 1, 2018, this reporting requirement is now the responsibility of my office, the Office of the Under Secretary of Defense for Acquisition and Sustainment.

Of the $320 billion in total DoD contract obligations in FY 2017, the enclosed report identifies $10.6 billion was expended on purchases from foreign entities. The total dollar value of items for which the Buy American Act was not applied due to waivers, authorized exceptions, and inapplicability, was $6.4 billion.

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

Sincerely,

Ellen M. Lord

Enclosure:
As stated

cc:
The Honorable Richard J. Durbin
Vice Chairman

ACQUISITION,
AND SUSTAINMENT

THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

JUN - 6 2018

The Honorable John McCain
Chairman
Committee on Armed Services
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

Title 41, United States Code, section 8305 and section 8029(b) of the Consolidated Appropriations Act, 2017 (Public Law 115-31), require the Department of Defense (DoD) to submit a report on the amount of DoD purchases from foreign entities in that fiscal year. The Department is submitting a combined report to fulfill these reporting requirements. As of February 1, 2018, this reporting requirement is now the responsibility of my office, the Office of the Under Secretary of Defense for Acquisition and Sustainment.

Of the $320 billion in total DoD contract obligations in FY 2017, the enclosed report identifies $10.6 billion was expended on purchases from foreign entities. The total dollar value of items for which the Buy American Act was not applied due to waivers, authorized exceptions, and inapplicability, was $6.4 billion.

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

Sincerely,

Ellen M. Lord

Enclosure:
As stated

cc:
The Honorable Jack Reed
Ranking Member

# REPORT TO CONGRESS ON DEPARTMENT OF DEFENSE FISCAL YEAR 2017 PURCHASES FROM FOREIGN ENTITIES

Office of the Under Secretary of Defense for Acquisition and Sustainment

June 2018

The estimated cost of this report for the Department of Defense is approximately $12,000 for the 2017 Fiscal Year. This includes $12,000 in DoD labor.
Generated on 2018Jun14 RefID: A-4CAA0B8

## Background

Title 41, United States Code (U.S.C.), section 8305, and section 8029(b) of the Consolidated Appropriations Act, 2017 (Public Law 115-31), require the Department of Defense (DoD) to submit to Congress a report on the amount of DoD purchases from foreign entities in that fiscal year. The Secretary is also required to identify the dollar value of items for which the Buy American Act (BAA) was waived pursuant to any reciprocal defense procurement Memorandum of Understanding (MOU), between the United States and a foreign country pursuant to which the Secretary of Defense has prospectively waived the BAA for certain products in that country, the Trade Agreement Act (TAA) of 1979 (title 19, U.S.C., section 2501 et seq.), or any international agreement to which the United States is a party.

## Discussion

The information contained in this report is based on FY 2017 contract data from the Federal Procurement Data System – Next Generation (FPDS-NG). The FPDS-NG data addresses contracting procedures, competition, financing, statutory requirements, socioeconomic programs, and other information relating to DoD contracting activity with prime contractors. The data was then certified by the Military Departments and Defense Agencies.

### All procurements from foreign entities

DoD procurement actions recorded and certified in FPDS-NG during FY 2017 totaled approximately $320 billion. Of that amount, approximately $10.6 billion or 3.3 percent of total DoD obligations were expended on purchases from foreign entities. Table 1 highlights the 12 countries with the highest amount of contract obligations. These countries accounted for approximately 82 percent of the total DoD foreign obligations during FY 2017. A detailed breakout of obligated dollars by country in the alphabetic order is contained in Table 2.

**TABLE 1: Top twelve countries with the highest contract obligations under contract with DoD during FY 2017**

| ENTITY OF ORIGIN | ACTIONS | OBLIGATED AMOUNT | % OF TOTAL OBLIGATION |
|---|---|---|---|
| JAPAN | 19,413 | $1,409,517,251 | 13.35% |
| UNITED ARAB EMIRATES | 38,623 | $1,369,498,830 | 12.97% |
| GERMANY | 33,115 | $1,300,386,931 | 12.31% |
| SOUTH KOREA | 23,675 | $946,220,395 | 8.96% |
| UNITED KINGDOM | 7,874 | $906,967,990 | 8.59% |
| KUWAIT | 1,984 | $584,308,387 | 5.53% |
| CANADA | 7,437 | $545,582,862 | 5.17% |
| AFGHANISTAN | 1,424 | $533,010,014 | 5.05% |
| SAUDI ARABIA | 679 | $320,071,788 | 3.03% |
| GREECE | 287 | $275,506,120 | 2.61% |
| SPAIN | 1,665 | $269,291,524 | 2.55% |
| ITALY | 4,942 | $252,188,093 | 2.39% |

**TABLE 2: All DoD procurement actions with foreign entities during FY 2017**

| ENTITY OF ORIGIN | ACTIONS | OBLIGATED AMOUNT | % OF TOTAL |
|---|---|---|---|
| TOTAL: | 178,600 | $10,561,285,676 | 100.00% |
| AFGHANISTAN | 1,424 | $533,010,014 | 5.05% |
| ALBANIA | 4 | $802,064 | 0.01% |
| ANGUILLA [UNITED KINGDOM] | 2 | $78,000 | 0.00% |
| ANTIGUA AND BARBUDA | 1 | ($33,160) | 0.00% |
| ARGENTINA | 1 | $0 | 0.00% |
| ARMENIA | 7 | $692,485 | 0.01% |
| ARUBA [NETHERLANDS] | 446 | $13,565,927 | 0.13% |
| AUSTRALIA | 595 | $28,128,203 | 0.27% |
| AUSTRIA | 7 | ($106,705) | 0.00% |
| AZERBAIJAN | 4 | $743,470 | 0.01% |
| BAHRAIN | 3,433 | $185,967,891 | 1.76% |
| BANGLADESH | 47 | $3,789,847 | 0.04% |
| BARBADOS | 49 | $6,913,489 | 0.07% |
| BELGIUM | 1,417 | $79,452,906 | 0.75% |
| BELIZE | 91 | $2,538,077 | 0.02% |
| BENIN | 8 | $136,255 | 0.00% |
| BERMUDA [UNITED KINGDOM] | 44 | $48,011,114 | 0.45% |
| BHUTAN | 2 | $45,100 | 0.00% |
| BOLIVIA | 4 | $25,000 | 0.00% |
| BOSNIA AND HERZEGOVINA | 24 | $1,193,412 | 0.01% |
| BRAZIL | 4 | $314,945 | 0.00% |
| BRITISH VIRGIN ISLANDS [UNITED KINGDOM] | 9 | $513,638 | 0.00% |
| BRUNEI | 6 | $22,378 | 0.00% |
| BULGARIA | 90 | $3,330,923 | 0.03% |
| BURKINA FASO | 10 | ($249,763) | 0.00% |
| BURMA (MYANMAR) | 1 | $34,874 | 0.00% |

| | | | |
|---|---|---|---|
| CAMBODIA | 95 | $5,311,325 | 0.05% |
| CAMEROON | 52 | $1,245,297 | 0.01% |
| CANADA | 7,437 | $545,582,862 | 5.17% |
| CHAD | 28 | $2,778,893 | 0.03% |
| CHILE | 4 | $1,006,760 | 0.01% |
| CHINA | 7 | $222,659 | 0.00% |
| COLOMBIA | 548 | $13,074,482 | 0.12% |
| COSTA RICA | 4 | $207,328 | 0.00% |
| CROATIA | 64 | $38,189,866 | 0.36% |
| CYPRUS | 11 | $1,115,937 | 0.01% |
| CZECH REPUBLIC | 4 | $42,631 | 0.00% |
| DENMARK | 7,621 | $68,691,141 | 0.65% |
| DJIBOUTI | 645 | $22,807,737 | 0.22% |
| DOMINICAN REPUBLIC | 198 | $3,057,744 | 0.03% |
| ECUADOR | 14 | $5,261,901 | 0.05% |
| EGYPT | 29 | $887,842 | 0.01% |
| EL SALVADOR | 110 | $2,042,450 | 0.02% |
| ESTONIA | 20 | $6,581,343 | 0.06% |
| ETHIOPIA | 31 | $99,984 | 0.00% |
| FIJI | 6 | $4,805 | 0.00% |
| FINLAND | 3 | $0 | 0.00% |
| FRANCE | 869 | $110,509,291 | 1.05% |
| GABON | 2 | $13,974 | 0.00% |
| GEORGIA | 59 | $2,454,344 | 0.02% |
| GERMANY | 33,115 | $1,300,386,931 | 12.31% |
| GHANA | 48 | $1,117,598 | 0.01% |
| GIBRALTAR [UNITED KINGDOM] | 29 | $10,110,034 | 0.10% |
| GREECE | 287 | $275,506,120 | 2.61% |
| GREENLAND [DENMARK] | 4 | $532,397 | 0.01% |
| GRENADA | 5 | ($77,702) | 0.00% |
| GUATEMALA | 586 | $6,132,997 | 0.06% |
| GUINEA | 5 | $61,960 | 0.00% |
| GUINEA-BISSAU | 2 | $19,608 | 0.00% |
| HONDURAS | 386 | $19,072,739 | 0.18% |
| HONG KONG | 75 | $154,700,837 | 1.46% |
| HUNGARY | 14 | $176,274 | 0.00% |
| ICELAND | 6 | $2,598,445 | 0.02% |
| INDIA | 179 | $338,565 | 0.00% |
| INDONESIA | 48 | $1,017,504 | 0.01% |
| IRAQ | 841 | $110,532,366 | 1.05% |
| IRELAND | 3 | $487,365 | 0.00% |
| ISRAEL | 201 | $102,099,814 | 0.97% |
| ITALY | 4,942 | $252,188,093 | 2.39% |
| JAMAICA | 1 | ($22,625) | 0.00% |
| JAPAN | 19,413 | $1,409,517,251 | 13.35% |
| JORDAN | 335 | $70,063,586 | 0.66% |
| KAZAKHSTAN | 16 | $17,622,919 | 0.17% |
| KENYA | 43 | $1,151,711 | 0.01% |

| | | | |
|---|---|---|---|
| KOSOVO | 31 | $448,036 | 0.00% |
| KUWAIT | 1,984 | $584,308,387 | 5.53% |
| KYRGYZSTAN | 5 | ($730,865) | -0.01% |
| LAOS | 29 | $3,941,676 | 0.04% |
| LATVIA | 21 | $1,546,934 | 0.01% |
| LEBANON | 1 | $396,466 | 0.00% |
| LIBERIA | 1 | ($33,031) | 0.00% |
| LITHUANIA | 52 | $19,403,472 | 0.18% |
| LUXEMBOURG | 42 | $6,766,437 | 0.06% |
| MACEDONIA | 6 | $655,492 | 0.01% |
| MALAWI | 11 | $692,231 | 0.01% |
| MALAYSIA | 106 | $2,865,962 | 0.03% |
| MALI | 1 | ($20,108) | 0.00% |
| MALTA | 2,799 | $69,778,406 | 0.66% |
| MARSHALL ISLANDS | 8 | $6,631,072 | 0.06% |
| MAURITANIA | 65 | $2,654,319 | 0.03% |
| MAURITIUS | 4 | $43,456 | 0.00% |
| MEXICO | 4 | $158,435 | 0.00% |
| MICRONESIA,FEDERATED STATES OF | 6 | $231,109 | 0.00% |
| MOLDOVA | 15 | $2,655,521 | 0.03% |
| MONGOLIA | 17 | $1,162,986 | 0.01% |
| MOROCCO | 4 | $393,885 | 0.00% |
| NEPAL | 23 | $2,659,393 | 0.03% |
| NETHERLANDS | 460 | $41,230,143 | 0.39% |
| NETHERLANDS ANTILLES [NETHERLANDS] | 8 | $78,040 | 0.00% |
| NEW ZEALAND | 40 | $19,764,196 | 0.19% |
| NICARAGUA | 1 | $728,380 | 0.01% |
| NIGER | 120 | $3,438,093 | 0.03% |
| NIGERIA | 14 | $479,419 | 0.00% |
| NORWAY | 179 | $52,935,695 | 0.50% |
| OMAN | 49 | $4,632,975 | 0.04% |
| PAKISTAN | 68 | $998,048 | 0.01% |
| PALAU | 26 | $124,140 | 0.00% |
| PANAMA | 140 | $9,802,050 | 0.09% |
| PAPUA NEW GUINEA | 6 | $32,829 | 0.00% |
| PARAGUAY | 10 | $382,312 | 0.00% |
| PERU | 169 | $2,361,536 | 0.02% |
| PHILIPPINES | 2,583 | $27,397,247 | 0.26% |
| POLAND | 209 | $27,510,413 | 0.26% |
| PORTUGAL | 173 | $5,808,939 | 0.06% |
| QATAR | 607 | $70,857,712 | 0.67% |
| ROMANIA | 666 | $13,939,430 | 0.13% |
| RUSSIA | 3 | $273,033 | 0.00% |
| RWANDA | 1 | $368,705 | 0.00% |
| SAINT KITTS AND NEVIS | 1 | ($358) | 0.00% |
| SAMOA | 3 | $583,629 | 0.01% |
| SAO TOME AND PRINCIPE | 1 | ($62,058) | 0.00% |
| SAUDI ARABIA | 679 | $320,071,788 | 3.03% |

| | | | |
|---|---|---|---|
| SENEGAL | 17 | $390,907 | 0.00% |
| SERBIA | 164 | $2,264,893 | 0.02% |
| SINGAPORE | 1,455 | $93,106,320 | 0.88% |
| SLOVENIA | 5 | $259,774 | 0.00% |
| SOLOMON ISLANDS | 7 | $292,358 | 0.00% |
| SOMALIA | 10 | $220,411 | 0.00% |
| SOUTH AFRICA | 8 | $1,103,891 | 0.01% |
| SOUTH KOREA | 23,675 | $946,220,395 | 8.96% |
| SPAIN | 1,665 | $269,291,524 | 2.55% |
| SRI LANKA | 55 | $986,199 | 0.01% |
| SWEDEN | 71 | $21,545,159 | 0.20% |
| SWITZERLAND | 2,581 | $43,574,636 | 0.41% |
| SYRIA | 1 | $150,000 | 0.00% |
| TAIWAN,PROVINCE OF CHINA | 2 | $0 | 0.00% |
| TAJIKISTAN | 1 | $219,534 | 0.00% |
| TANZANIA | 7 | ($3,400) | 0.00% |
| THAILAND | 2,479 | $26,414,708 | 0.25% |
| TOGO | 3 | $49,176 | 0.00% |
| TONGA | 1 | $9,150 | 0.00% |
| TRINIDAD AND TOBAGO | 10 | $260,153 | 0.00% |
| TUNISIA | 7 | $475,079 | 0.00% |
| TURKEY | 2,036 | $64,352,101 | 0.61% |
| UGANDA | 28 | $596,534 | 0.01% |
| UKRAINE | 97 | $18,601,000 | 0.18% |
| UNITED ARAB EMIRATES | 38,623 | $1,369,498,830 | 12.97% |
| UNITED KINGDOM | 7,874 | $906,967,990 | 8.59% |
| URUGUAY | 12 | $711,531 | 0.01% |
| VANUATU | 3 | $18,883 | 0.00% |
| VIETNAM | 76 | $7,911,166 | 0.07% |
| ZAMBIA | 1 | $5,000 | 0.00% |

The $10.6 billion of obligations cover services, petroleum, construction, subsistence, defense equipment, and other miscellaneous items. Chart 1 provides a breakout of procurement categories from the foreign entities. Petroleum, services, construction, and subsistence account for approximately 69 percent of the total purchases from foreign entities. Defense equipment constitutes approximately 22 percent of the purchases from foreign entities. The remaining 9 percent of the purchases cover a variety of categories.

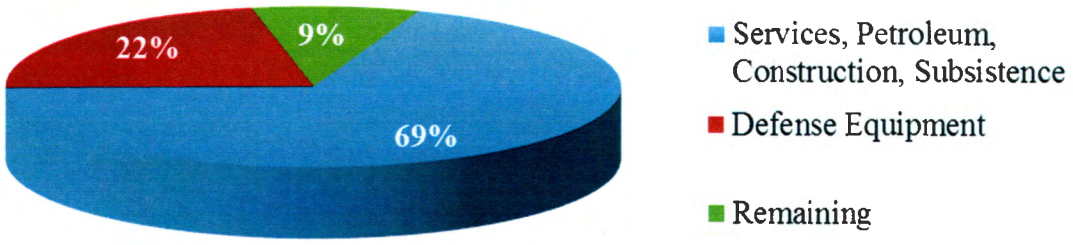


**CHART 1: Percentage of DoD Procurement Category from Foreign Entities**

Table 3 provides a breakout of the $10.6 billion by purchase category and the percentage of the total obligation.

**TABLE 3: DoD foreign purchases by category and the total obligation during FY 2017**

| DOD PURCHASE CATEGORY | ACTIONS | DOLLARS | % OF TOTAL |
|---|---|---|---|
| TOTAL: | 178,600 | $10,561,285,676 | 100.00% |
| SERVICES | 48,578 | $2,435,753,658 | 23.06% |
| CONSTRUCTION | 7,971 | $2,085,683,959 | 19.75% |
| PETROLEUM | 23,533 | $1,957,854,268 | 18.54% |
| SUBSISTENCE | 62,881 | $814,800,468 | 7.71% |
| ALL OTHERS NOT IDENTIFIABLE TO ANY OTHER | 19,204 | $697,736,231 | 6.61% |
| WEAPONS | 632 | $619,935,331 | 5.87% |
| SHIPS | 6,667 | $321,825,956 | 3.05% |
| OTHER FUELS AND LUBRICANTS | 530 | $316,544,897 | 3.00% |
| OTHER AIRCRAFT EQUIPMENT | 1,283 | $285,510,639 | 2.70% |
| ELECTRONICS AND COMMUNICATION EQUIPMENT | 847 | $280,065,862 | 2.65% |
| AIRFRAMES AND SPARES | 1,984 | $183,423,674 | 1.74% |
| MISSILE AND SPACE SYSTEMS | 46 | $130,876,075 | 1.24% |
| COMBAT VEHICLES | 872 | $119,422,325 | 1.13% |
| AMMUNITION | 201 | $113,052,742 | 1.07% |
| AIRCRAFT ENGINES AND SPARES | 812 | $54,947,660 | 0.52% |
| MEDICAL AND DENTAL SUPPLIES AND EQUIPMENT | 765 | $42,347,626 | 0.40% |
| NON-COMBAT VEHICLES | 846 | $30,225,327 | 0.29% |
| MISCELLANEOUS | 298 | $20,935,390 | 0.20% |
| CONSTRUCTION EQUIPMENT | 243 | $18,026,073 | 0.17% |
| TEXTILES, CLOTHING AND EQUIPAGE | 29 | $12,282,826 | 0.12% |
| BUILDING SUPPLIES | 160 | $9,756,216 | 0.09% |
| MATERIALS HANDLING EQUIPMENT | 167 | $9,612,160 | 0.09% |
| SEPARATELY PROCURED CONTAINERS AND HANDLING | 8 | $475,673 | 0.00% |
| PRODUCTION EQUIPMENT | 10 | $107,353 | 0.00% |
| TRANSPORTATION EQUIPMENT (RAILWAY) | 22 | $50,460 | 0.00% |
| PHOTOGRAPHIC EQUIPMENT AND SUPPLIES | 11 | $32,830 | 0.00% |

**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 66,290 DoD purchases totaling approximately $6.4 billion due to inapplicability, waivers, and authorized exceptions. The breakout of these purchases is as follows:

- About 51 percent of purchases or 22,192 actions totaling approximately $3.3 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.

- The total authorized ***waivers*** pursuant to MOUs, the TAA or other international agreements represented 37,993 purchases totaling approximately $2.9 billion.

- The total authorized ***exceptions*** to the BAA represented 6,105 purchases for approximately $226 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.

Chart 2 provides a breakout of the approximately $6.4 billion of manufactured articles for which the restrictions of the BAA were not applied due to waivers, authorized exceptions, and inapplicability.

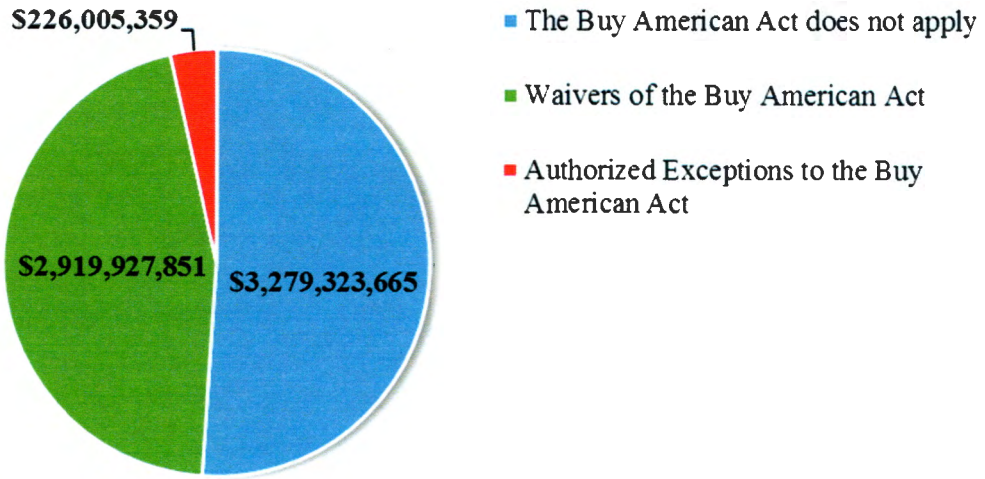


**CHART 2: Obligations for which the restrictions of the Buy American Act were not applied in FY 2017**

Table 4 provides a detailed breakout of the actions and dollars by category and an explanation of the authority for each of the categories.

**TABLE 4: Number of purchases and dollar value of manufactured articles for which the restrictions of the BAA were not applied in FY 2017**

| Authority | Actions | Dollars | % of Total |
|---|---|---|---|
| **The Buy American Act does not apply** | | | |
| Use outside the U.S. | **22,192** | **$3,279,323,665** | **51.04%** |
| **Waivers of the Buy American Act** | | | |
| Qualifying Countries | 36,070 | $2,878,796,321 | 44.80% |
| WTO GPA and Free Trade Agreements | 1,923 | $41,131,529 | 0.64% |
| | **37,993** | **$2,919,927,851** | **45.44%** |
| **Authorized Exceptions to the Buy American Act** | | | |
| Domestic Non-availability Determinations | 2,081 | $75,502,816 | 1.18% |
| Commercial IT | 717 | $135,438,314 | 2.11% |
| Resale | 77 | $2,026,930 | 0.03% |
| Unreasonable Cost | 3,208 | $12,637,767 | 0.20% |
| Public Interest Exception | 22 | $399,533 | 0.01% |
| | **6,105** | **$226,005,359** | **3.52%** |
| **Total:** | **66,290** | **$6,425,256,875** | **100.00%** |