REPORT TO CONGRESS

DEPARTMENT OF DEFENSE FISCAL YEAR 2005 PURCHASES OF SUPPLIES MANUFACTURED OUTSIDE THE UNITED STATES

March 2006

Office of the Under Secretary of Defense (Acquisition, Technology & Logistics)

Defense Procurement and Acquisition Policy

Background

Section 641 of the Transportation, Treasury, Independent Agencies and General Government Appropriations Act, 2005 (Division H of the Consolidated Appropriations Act, 2005 (Pub. L. 108-447), requires the head of each Federal Agency to submit a report to Congress on the amount of acquisitions made by the agency from entities that manufacture the articles, materials, or supplies outside of the United States in that fiscal year. The report shall separately identify (1) the dollar value of any articles, materials, or supplies purchased that were manufactured outside the United States; (2) an itemized list of all waivers granted with respect to such articles, materials or supplies under the Buy American Act (BAA); and (3) a summary of the total procurement funds spent on goods manufactured in the United States versus funds spent on goods manufactured outside the United States.

Discussion

This report includes four sections: (1) all procurements from foreign entities and more specifically, purchases of articles, materials, or supplies/manufactured goods from such foreign entities; (2) manufactured products provided by U.S. suppliers with a manufacturing place of performance overseas; (3) waivers granted with respect to such articles, materials or supplies under the Buy American Act (BAA); and (4) a comparison of procurement funds spent on goods manufactured in the U.S. versus funds spent on goods manufactured outside the U.S.

The information presented in this report addresses Fiscal Year 2005 and is based on DD Form 350 data compiled and distributed by DoD's Washington Headquarters. The DD Form 350, Individual Contracting Action Report, includes data on contracting procedures, competition, financing, statutory requirements, socioeconomic programs and other information relating to DoD acquisitions. In some instances, the exact information required by section 641 is not available and DoD has made assumptions in order to complete the report. In those cases, the report identifies the methodology and assumptions made by DoD in responding to the reporting requirement.

Section 1 - Procurements from foreign entities

1(a) All procurements. DoD procurement actions recorded on DD 350's during FY 2005 totaled approximately \$269 billion. Of that amount, approximately \$18.3 billion or 6.8 percent was expended on purchases from foreign entities. Of this amount, \$16.8 billion is for contracts with a place of performance outside the U.S. and the remainder, \$1.5 billion, is for contracts with a place of performance within the U.S. A detailed breakout of the dollars by country is contained in **Table 1**.

The \$18.3 billion covers military hardware, subsistence, fuel, construction, services, and other miscellaneous items that are for use outside the U.S. Services constitute 24.2 percent of the total, with fuel and construction accounting for 24.6 percent and 19.5 percent, respectively. **Table 2** provides a breakout of the \$18.3 billion by defense claimant program (DCP) and percentage of total.

In comparison, Defense Security Cooperation Agency data reflect foreign purchases of U.S. defense articles and services in Fiscal Year 2005 totaling approximately \$10.6 billion. Data from the State Department reflect that U.S. manufacturers obtained export licenses for direct commercial sales licensed under the Arms Export Control Act in the amount of \$30.1 billion in Fiscal Year 2005.

1(b) Procurement of manufactured articles. This section focuses strictly on defense articles provided by foreign entities that are manufactured outside the U.S. Of the approximately \$18.3 billion that was expended on all purchases from foreign entities defined by Defense Claimant Program (DCP), Table 3 notes that approximately \$8.8 billion was expended on contractual actions for the procurement of articles manufactured outside the U.S. Table 3 refines the data in Table 2 to remove all dollars associated with petroleum, other fuels and lubricants, subsistence, construction and services (DCPs A8A, A8B, B2, C3, and S1) to derive the \$8.8 billion for articles manufactured outside the U.S. Table 3 further refines this data to exclude all activities/services included in the \$8.8 billion in DoD procurements from foreign entities that are not actually associated with manufactured goods. For example, Column 1 in Table 3 reflects a total of \$303,863,844 for DCP A1A. However, after removal of costs associated with various aircraft related services, the adjusted figure for A1A is only \$259,408,785 as reflected in column 2. Similar adjustments were made to the remaining DCPs, resulting in an adjusted total of \$8.2 billion for procurement of articles manufactured outside the U.S. by foreign entities. Table 4 provides a detailed breakout of DoD purchases by foreign country, dollars, and number of actions. Table 5 refines the data even further to provide visibility into this information by DCPs, country, dollars and the number of actions.

<u>Section 2 – Purchases of manufactured products from U.S. suppliers with a manufacturing place of performance overseas.</u>

In addition to the procurement of manufactured articles discussed in section 1 above, data from the DD 350 reflect that in Fiscal Year 2005, the Department procured approximately \$ 270.2 million in supplies from U.S. companies where the place of manufacture was listed as a foreign country. **Table 6** provides an overview of these procurements.

<u>Section 3 - Waivers of the BAA granted with respect to such articles, materials or supplies.</u>

DoD has no central repository for waivers of the BAA and such information is not available in the existing DoD database. It is, therefore, not possible to identify which of the manufactured articles identified in section 1 of this report required a waiver of the BAA. Instead, this report attempts to identify the dollar value of DoD purchases of manufactured goods for which it is believed that the BAA may have been waived as a result of various international agreements. The following methodology was used to estimate dollars in this category:

- 1. Since the BAA does not apply to purchases for use outside the U.S., contracting actions by overseas buying offices were excluded from the data. However, purchases by these offices are included in the data for Section 1 above.
- 2. It is assumed that all procurements covered by Memoranda Of Understanding, the Trade Agreements Act (TAA) and any other international agreement resulted in a waiver of the BAA. It should be noted, however, that using this methodology overstates the dollar value of items for which the BAA was waived. The Act does not apply when a domestic item's cost is unreasonable, the domestic preference is not in the public interest, or sufficient quality and quantity is not available domestically. Since we do not have data on when the Act did not apply in these circumstances, adjustments to the data can not be made for those events.

Table 7 contains a detailed breakout of procurement actions by country and type of agreement. This breakout details procurement actions as follows:

- 1. Actions pursuant to the Caribbean Basin Economic Recovery Act.
- 2. Actions under the TAA (Agreement on Government Procurement).

- 3. Actions under Free Trade Agreements (FTAs)
 - a. The North American Free Trade Agreements (NAFTA).
 - b. Chile FTA
 - c. Singapore FTA
 - d. Australia FTA
 - e. Morocco FTA

4. Actions under MOUs.

DoD purchases under #s 1, 2 and 3 above all fall within the same supply categories and are comprised of mostly commercial and dual use items. Defense equipment is excluded from coverage under these agreements. The thresholds for the various trade agreements vary in terms of applicability and are subject to revision by the U.S. Trade Representative every two years. In some instances, a country may have an FTA with the U.S., be a signatory to the TAA, and also have an MOU with DoD. As a result, purchases will be reported in more than one category. The following is a breakout of how DoD purchases are reported in those instances:

Canadian products subject to North American Free Trade Agreements (NAFTA) coverage equal to or exceeding \$25,000 but below the Fiscal Year 2005 TAA threshold of \$175,000 are reported under NAFTA. Procurement actions equal to or exceeding \$175,000 with Canada for TAA code covered products are included under the TAA portion of the report. All other procurements of Canadian products are reported under the MOU section.

Mexico is not a party to the Agreement on Government Procurement under the TAA and does not have a reciprocal procurement MOU with the U.S. Accordingly, all DoD purchases of Mexican products equal to or exceeding \$58,550 are reported under NAFTA.

Chile is not a party to the Agreement on Government Procurement under the TAA and does not have a reciprocal procurement MOU with the U.S. Therefore, all DoD purchases of Chilean products equal to or exceeding \$58,550 are reported under the Chile FTA.

Singapore products subject to FTA coverage equal to or exceeding \$58,500 but below the Fiscal Year 2005 TAA threshold of \$175,000 are reported under the Singapore FTA. Procurement actions over \$175,000 with Singapore for TAA code covered products are included under the TAA portion of the report. DoD does not have a reciprocal procurement MOU with Singapore.

Australian products subject to FTA coverage equal to or exceeding \$58,550 are reported under the Australian FTA. Australia is not a party to the Agreement on

Government Procurement under the TAA but does have a reciprocal procurement MOU with the U.S. Therefore, all DoD purchases of Australian products not covered by the FTA are reported under the MOU section.

Morocco is not a party to the Agreement on Government Procurement under the TAA and does not have a reciprocal procurement MOU with the U.S. Therefore, products subject to FTA coverage equal to or exceeding \$175,000 are reported under the Moroccan FTA.

Using the methodology described above, the various international agreements for which it is assumed that the BAA was waived totaled approximately \$4,027.5 million in Fiscal Year 2005.

1. Caribbean Basin Economic Recovery	\$ 27.5
2. Trade Agreements Act	2,430.9
3. NAFTA (Canada and Mexico)	33.8
4. Chile FTA	3.8
5. Singapore FTA	.1
6. Australia FTA	19.8
7. MOUs	<u>1,515.6</u>
Total	\$ 4,027.5 Million

Section 4 - Comparison of procurement funds spent on goods manufactured in the U.S. versus funds spent on goods manufactured outside the U.S.

Table 8 presents a comparison of contractual actions and dollars for procurement of goods manufactured by U.S. sources versus goods manufactured by foreign sources. As reflected in table 6, DoD's procurement of manufactured goods from U.S. sources totaled approximately \$97.3 billion as contrasted to DoD purchases of manufactured goods from foreign sources which totaled slightly more than \$8.2 billion, or roughly 8% of all DoD's procurement of manufactured goods in Fiscal Year 2005. In addition, DoD purchased approximately \$270.2 million from U.S. suppliers with a manufacturing place of performance overseas.

FISCAL YEAR 2005 DEPARTMENT OF DEFENSE PURCHASES FROM FOREIGN ENTITIES BOTH OVERSEAS AND IN THE UNITED STATES

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

COUNTRY		DOLLARS	COUNTRY		DOLLARS	COUNTRY		<u>DOLLARS</u>	COUNTRY		DOLLARS
AFGHANISTAN	\$	387,455,110	EGYPT	\$	14,501,006	KUWAIT	s	1,028,695,761	PORTUGAL	s	47,166,103
ALBANIA	\$	280,341	EL SALVADOR	\$	957,194	KYRGYZSTAN	\$	10,217,362	QATAR	\$	79,746,948
ANTIQUA & BARBUDA	S	68,685	ERITREA	S	90	LAOS	\$	572,070	ROMANIA	\$	36,985,932
ARGENTINA	\$	84,249	ESTONIA	\$	36,179	LATVIA	S	2,000	RUSSIA	\$	1,863,732
ARMENIA	\$	22,771	ETHIOPIA	\$	172,465	LEBANON	\$	21,915	RWANDA	\$	160
ARUBA	\$	542,034	FINLAND	\$	16,201,401	LESOTHO	\$	14,465	SAO TOME AND PRINCIPE	\$	21,896
AUSTRALIA	\$	34,529,241	FOREIGN	\$	48,219,660	LIECHTENSTEIN	\$	4,350	SAUDI ARABIA	\$	542,691,795
AUSTRIA	\$	4,706,420	FRANCE	\$	150,953,696	LITHUANIA	\$	130,887	SENEGAL	\$	2,723,071
AZERBAIJAN	\$	21,192,315	GABON	\$	14,708,545	LUXEMBOURG	\$	139,087,459	SEYCHELLES	\$	22,363
BAHAMAS, THE	\$	65,395	GAMBIA, THE	\$	91,357	MACEDONIA	\$	68,435	SIERRA LEONE	S	92,500
BAHRAIN	\$	504,755,326	GEORGIA	\$	3,790,346	MALAWI	\$	59,637	SINGAPORE	\$	18,295,517
BARBADOS	\$	(21,455)	GERMANY	\$	1,823,493,068	MALAYSIA	\$	2,031,359	SLOVAKIA	\$	237,726
BELGIUM	\$	107,701,819	GHANA	S	75,000	MALI	\$	203,711	SLOVENIA	S	10,284
BELIZE	\$	553,782	GREECE	\$	276,073,134	MALTA	\$	(92,614)	SOUTH AFRICA	\$	880,443
BOLIVIA	\$	994,173	GREENLAND	\$	51,361,682	MARSHALL ISLANDS	\$	(4,400)	SPAIN	\$	205,118,818
BOSNIA AND HERZEGOVINA	\$	6,069,374	GUATEMALA	\$	75,678	MAURITANIA	\$	296,100	ST. KITTS & NEVIS	\$	39,196
BOTSWANA	\$	176,657	GUINEA	\$	350	MAURITIUS	\$	39	ST. LUCIA	\$	16,079
BRAZIL.	\$	1,353,825	GUYANA	\$	160,800	MEXICO	\$	2,493,106	SWEDEN	\$	89,540,542
BRITISH INDIAN OCEAN TERRITORY	\$	174,443	HAITI	\$	210,406	MOLDOVA	\$	270,654	SWITZERLAND	\$	242,299,973
BRUNEI	\$	79,800	HONDURAS	\$	30,259,807	MONGOLIA	\$	161,593	SYRIA	\$	502
BULGARIA	\$	1,294,287	HONG KONG	\$	4,008,061	MOZAMBIQUE	\$	63,695	TAIWAN	\$	668,492
BURUNDI	\$	135	HUNGARY	S	132,164	NEPAL	\$	406,461	TAJIKISTAN	\$	25,000
CAMBODIA	\$	12,755	ICELAND	\$	67,667,096	NETHERLANDS	S	365,387,262	THAILAND	\$	31,239,775
CANADA	\$	710,693,101	INDIA	S	240,656	NETHERLANDS ANTILLES	\$	3,636,888	TONGA	\$	65,000
CHILE	\$	4,348,160	INDONESIA	\$	194,650	NEW ZEALAND	\$	434,094	TRINIDAD AND TOBAGO	\$	312,428
CHINA	\$	16,650	IRAN	\$	360,800	NICARAGUA	\$	1,312,882	TUNISIA	\$	46,549
COLOMBIA	S	58,995,277	TRAQ	\$	6,042,314,043	NIGERIA	\$	130,793	TURKEY	S	54,875,458
COMOROS	\$	50,400	IRELAND	\$	354,444	NIUE	\$	829,711	UGUANDA	S	304,502
COSTA RICA	\$	10,995,999	ISRAEL	\$	124,092,734	NO. MARIANA ISLAND	\$	255,856	UKRAINE	\$	554,660
CROATIA	\$	16,445,552	ITALY	\$	317,810,735	NORWAY	S	10,734,867	UNITED ARAB EMIRATES	\$	155,655,432
CUBA	\$	17,508	JAMAICA	\$	1,795,629	OMAN	\$	10,070,130	UNITED KINGDOM	\$	1,114,869,763
CYPRUS	\$	430	JAN MAYEN	\$	155,473	PAKISTAN	\$	321,170,501	UNITED STATES	\$	1,474,024,462
CZECH REPUBLIC	\$	1,141,629	JAPAN	S	754,430,506	PALAU	\$	64,920	URUGUAY	\$	50,000
DENMARK	\$	36,508,707	JORDAN	\$	68,546,388	PANAMA	\$	3,222,457	VANUATU	\$	131,648
DJIBOUTI	\$	28,482,184	KAZAKHSTAN	\$	574,658	PARAGUAY	\$	28,948	VIETNAM	\$	573,337
DOMINICA	\$	35,006	KENYA	\$	88,587	PERU	\$	8,384,826	YEMEN	\$	1,940,000
DOMINICAN REPUBLIC	\$	570,338	KOREA, DEMOCRATIC	\$	477,899	PHILIPPINES	\$	25,658,964	YUGOSLAVIA	\$	120,605
ECUADOR	\$	3,626,531	KOREA, REPUBLIC OF	\$	518,795,473	POLAND	\$	563,687	ZAMBIA	\$	768,073
Subtotal	\$	1,944,018,954	Subtotal	\$	10,333,381,860	Subtotal	\$	1,936,590,831		\$	4,103,978,764

18,317,970,409

TABLE 2

FISCAL YEAR 2005 PRIME CONTRACT AWARDS TO FOREIGN CONCERNS/ENTITIES

DoD Claimant Program		Dollars	Percent
Air Frames & Spares Aircraft Engines & Spares Other Aircraft Equipment	\$ \$ \$	303,863,844 327,128,850 135,157,040	1.66% 1.79% 0.74%
Missile & Space Sys	\$	38,371,032	0.21%
Ships	\$	146,859,020	0.80%
Vehicles - Combat Non Combat	\$ \$	119,840,436 265,589,425	0.65% 1.45%
Weapons	\$	380,770,437	2.08%
Ammunition	\$	203,929,367	1.11%
Electronic & Communication Equipment	\$	258,525,406	1.41%
Petroleum	\$	3,062,024,193	16.72%
Other fuels & lubricants	\$	4,031,146	0.02%
Containers and Handling Equipment	\$	2,261,126	0.01%
Textiles, Clothing & Equippage	\$	7,859,806	0.04%
Building Supplies	\$	2,590,325	0.01%
Subsistence	\$	1,672,728,734	9.13%
Transportation Equipment	\$	3,778,956	0.02%
Production Equipment	\$	631,359	0.00%
Construction	\$	2,361,907,449	12.89%
Construction Equip	\$	20,060,070	0.11%
Med & Dental Supplies/Equip	\$	44,123,496	0.24%
Photographic Supplies/Equip	\$	15,122,645	0.08%
Materials Handling Equip	\$	6,107,021	0.03%
All Other Supplies & Equip	\$	6,533,785,595	35.67%
Services	\$	2,400,923,631	13.11%
Overall Total	\$	18,317,970,409	100.0%

DoD Purchases of Manufactured Items from Foreign Entities - FY 2005

DCP	DoD Claimant Program		Dollars Column 1		Dollars Column 2
A1A A1B A1C	Air Frames & Spares Aircraft Engines & Spares Other Aircraft Equipment	\$ \$ \$	303,863,844 327,128,850 135,157,040	\$ \$ \$	259,408,785 310,637,513 117,444,629
A2	Missile & Space Sys	\$	38,371,032	\$	14,301,822
A3	Ships	\$	146,859,020	\$	32,858,185
A4A A4B	Vehicles - Combat Non Combat	\$ \$	119,840,436 265,589,425	\$ \$	107,676,549 199,402,722
A5	Weapons	\$	380,770,437	\$	362,794,757
A6	Ammunition	\$	203,929,367	\$	203,530,253
A7	Electronic & Communication Equipment	\$	258,525,406	\$	233,497,068
A8C	Separately Procured Containers & Handling Equipment	\$	2,261,126	\$	2,180,814
A9	Textiles, Clothing & Equipage	\$	7,859,806	\$	7,814,606
B1	Building Supplies	\$	2,590,325	\$	2,463,832
В3	Transportation Equipment	\$	3,778,956	\$	3,572,707
B9	Production Equipment	\$	631,359	\$	388,506
C9A	Construction Equipment	\$	20,060,070	\$	17,495,168
C9B	Medical & Dental Supplies & Equipment	\$	44,123,496	\$	34,899,249
C9C	Photographic Supplies & Equipment	\$	15,122,645	\$	14,728,900
C9D	Materials Handling Equipment	\$	6,107,021	\$	5,069,624
C9E	All other Supplies & Equipment	\$	6,533,785,595	\$	6,278,130,712
Total		\$	8,816,355,256	\$	8,208,296,401

Column 1 is a dollar summary of all DoD procurement actions, both obligations & deobligations, during FY 2005 for the DCP's shown above. Not included in column 1 are the costs associated with petroleum, other fuels and lubricants, subsistence, construction and services (DCP's A8A, A8B, B2, C2 and S1. These dollar values are the same values shown in DoD's annual report to Congress on purchases from foreign entities for these specific DCPs.

Column 2 is a dollar summary of the dollar value of defense articles provided by foreign entities that are manufactured outside the U.S. The difference between column 1 and 2 is that the value of services associated with this hardware has been removed. For example, R&D, Professional Services, Maintenance, Repair & Refurbishment, transportation, housekeeping services, etc. have been excluded. Column 2 is our estimate of the value of articles, materials, and supplies manufactured outside the US by foreign entities.

TABLE 4 DoD Purchases of U.S. Suppliers' Products Manufactured in Foreign Countries in Fiscal Year 2005 Country Actions Dollars Country Actions **Dollars** Afganistan 12 5.239.443 \$ Jordan 10 43.875.877 Albania 1 \$ 530 Kazakhstan 1 1.031 Armenia 1.845 1 Kenva 9 S 47,618 Australia 4.344 \$ 16.355.867 Korea, Republic of 1.279 \$ 16,197,750 Austria 27 2.958.335 Kuwait 1,201 146,776,423 Bahrain 147 1,753,139 Laos 3 340,000 Barbados 14.184 Lebanon 1 415 Belaium 249 55,445,246 Malawi 59,637 1 Bosnia & Herzegovina 1,402 4,764,286 Mauritius 2 39 Brazil 1.814 Mexico 4 \$ 43,444 Burundi 135 Moldova 5 202,567 Cambodia 8,755 Mongolia 1 \$ 80 Canada \$ 10,133 616.434.621 Netherlands 95 \$ 2,959,687 Chile 28.800 New Zealand 12 1 278,959 China 3 \$ 12,150 Nicaragua 13 133.827 Columbia 696 S 20.550.237 Nigena 1 \$ 595 Comoros 2 24,000 \$ Niue 3 \$ 655.678 Croatia 8 1,326,226 Norway 26 9,436,847 Cuba 13.000 Oman 1 130 Cyprus 1 430 Pakistan 4.000 Czech Republic 2 8.978 Panama 13 498,330 Denmark 110 8.207.030 Paraguay 1 5,291 Dominica 2 10.881 **Phillippines** 18 221,962 Dominica Republic 7,000 Portugal 58 884,120 Ecuador 52.616 Qatar 192 12,721,347 Egypt 170,755 Romania 13 6,530,301 El Salvador 1 14,122 Rwanda 1 160 Eritrea 1 Saudi Arabia 121 269,770,055 Finland 15 16,172,401 Senegal 15 2,667,558 Foreign 282 37,161,111 Singapore 120 4.330,270 France 80 111,889,113 Slovenia 1 580 Gabon 88 12.463.182 South Africa 37,760 Germany 11,467 235.413.262 Spain 424 17,735,797 Greece 11 1,757,159 St. Lucia 2 13,832 Guinea 350 Sweden 47 86,158,963 Haiti 1,475 3 1.694 Switzerland 240,960,273 Honduras 138 698,998 Syria 502 Hungary 35,000 Thailand 2 7 77,331 Iceland 329 1.456,298 Trinidad & Tobago 8 117,818 India 5,748 Tunisia 2 46,549 irag 15.205 5.131.705.964 Turkey 401 33,361,865 ireland 9 Ukraine 167,105 2 81.858 United Arab Emirates Israel 206 106,315,189 320 9,365,497 United Kingdom Italy 2.343 57,444,272 2.407 \$ 791,301,777 Jamanica 1,347 United States 1 432 24.003.014 Jan Mayen 3 . \$ 18,729 Vietnam 65,880 Japan 4,799 \$ 40,211,670 Subtotals 52,139 6,486,323,107 Subtotals 8,755 1.721.973.294 Totals 60,894 8,208,296,401

DoD Purchases of Manufactured Products Produced by Foreign Sources in Fiscal Year 2005

DCP A1A - Airframes	and Related Assemb	lies and	Spares			
Country	Actions		Dollars	Country	Actions	Dollars
Canada	347	\$	84,059,676	Korea, Republic of	12	\$ 1,049,928
Foreign	3	\$	4,467,502	Netherlands	7	\$ 1,040,589
France	5	\$	23,858,029	New Zealand	1	\$ 96,998
Germany	11	\$	10,502,988	Niue	2	\$ 509,788
Israel	32	\$	7,437,705	Saudi Arabia	13	\$ 94,629,523
Italy	18	\$	3,175,789	Singapore	1	\$ 226,200
Japan	21	\$	618,742	United Kingdom	522	\$ 27,716,464
				United States	1	\$ 18,864
				Totals	996	\$ 259,408,785

Country	Actions		Dollars	Country	Actions	Dollars
Australia	2	\$	746,200	Korea, Republic of	188	\$ 1,683,790
Austria	6	\$	39,684	Netherlands	4	\$ 195,059
Belgium	10	\$	147,341	Norway	2	\$ 3,052,136
Canada	189	\$	33,953,765	Saudi Arabia	18	\$ 101,243,144
Denmark	16	\$	27,536	Singapore	1	\$ 18,054
France	8	\$	249,432	Spain	1	\$ 15,840,000
Germany	30	\$	329,849	Turkey	3	\$ 94,182
Israel	15	\$	3,730,583	United Kingdom	506	\$ 147,300,173
Italy	10	\$	1,470,624	United States	1	\$ (38,248
Japan	72	\$	554,209			
•		•	, -	Totals	1,082	\$ 310,637,513

Page 1 of Table 5

DCP A20 - Missiles and Space	Systems						
Country	Actions		Dollars	Country	Actions		Dollars
Belgium	53	↔	3,524,756	Foreign	-	₩	1,015,000
Canada	7	₩	79,683	Iraq	56	↔	411,588
Croatia	4	↔	702,675	Israel	တ	ઝ	7,125,167
Denmark	-	⇔	413,830	United Kingdom	4	ss	1,029,123
		:		Totals	76	49	14,301,822

Page 2 of Table 5

DCP A30 - Ships							
Country	Actions		Dollars	Country	Actions		Dollars
Australia	ო	↔	161,722	Italy	267	₩	2,367,356
Austria	-	ઝ	17,485	Japan	10	49	131,884
Bahrain	23	₩	72,206	Kuwait	-	49	2.253,280
Canada	133	₩	19,293,040	New Zealand	-	₩	6.645
France	4	₩	373,148	Singapore	33	₩	573,640
Germany	70	₩	2,160,158	Spain	ဖ	₩	10,739
Greece	-	↔	1,792	United Arab Emirates	ო	↔	104,697
Israel	7	↔	1	United Kingdom	42	₩	5,330,393
				Totals	550	•	32,858,185

DCP A4A - Combat Vehicles							
Country	Actions		Dollars	Country	Actions		Dollars
Australia	9	€	1,876,924	Israel	35	↔	13,025,478
Belgium	15	↔	274,621	Italy	-	↔	65,840
Canada	336	s	68,495,026	Kuwait	က	₩	2,950,903
Foreign	-	69	131,400	Norway	4	ઝ	4,873,718
Germany	17	₩	14,278,542	Turkey	2	↔	106,214
Honduras	•	s	107	United States	-	₩	48,873
				United Kingdom	2	↔	1,548,903
				Totals	429	•	107,676,549

Country	Actions	Dollars	Country	Actions	Dollars
Australia	7	\$ 758,670	Kuwait	16	\$ (5,493,570)
Canada	435	\$ 124,661,923	Laos	3	\$ 340,000
Colombia	2	\$ 85,866	Qatar	2	\$ 21,056
Croatia	4	\$ 623,551	Romania	11	\$ 3,153,851
Germany	96	\$ 21,506,477	Saudi Arabia	1	\$ 466,800
Greece	1	\$ 1,531,143	Thailand	7	\$ 77,331
Iraq	5	\$ 13,186,027	Turkey	2	\$ 44,929
Israel	1	\$ 139,200	United Arab Emirates	3	\$ 109,070
Japan	27	\$ 4,012,725	United States	1	\$ 95,560
Jordan	2	\$ 1,026,000	United Kingdom	26	\$ 32,607,737
Korea	22	\$ 382,676	Viet Nam	2	\$ 65,700
			Totals	676	\$ 199,402,722

Country	Actions	Dollars	Country	Actions	Dollars
Belgium	11	\$ 7,759,385	Italy	1	\$ (2,736,652
Canada	60	\$ 34,531,094	Jordan	5	\$ 42,161,610
Foreign	1	\$ 20,000	Sweden	4	\$ 494,408
France	2	\$ 482,470	United States	1	\$ 21,578
Germany	9	\$ 781,479	United Kingdom	10	\$ 228,738,761
Israel	7	\$ 50,540,624	•		
			Totals	111	\$ 362,794,757

Country	Actions	Dollars	Country	Actions	Dollars
Austria	1	\$ 63,214	Norway	4	\$ 1,417,971
Belgium	1	\$ 41,881,694	Sweden	14	\$ 50,127,271
Canada	46	\$ 53,517,877	Switzerland	4	\$ 1,241,088
Germany	13	\$ 32,792,778	United Kingdom	20	\$ 8,649,586
Israel	7	\$ 13,838,774			
1 1			Totals	110	\$ 203,530,253

Country	Actions	Dollars	Country	Actions	Dollars
Afganistan	2	\$ 26,508	Japan	10	\$ 190,325
Australia	1	\$ 70,200	Korea, Republic of	100	\$ 1,715,356
Austria	3	\$ 1,103,452	Kuwait	100	\$ 2,685,933
Bahrain	8	\$ 105,904	Moldova	3	\$ 202,031
Canada	240	\$ 62,462,888	Netherlands	12	\$ 139,207
Colombia	18	\$ 1,100,882	New Zealand	1	\$ 8,700
Denmark	10	\$ 3,584,647	Norway	3	\$ -
Ecuador	2	\$ 52,616	Paraguay	1	\$ 5,291
El Salvador	1	\$ 14,122	Portugal	2	\$ 8,408
Foreign	6	\$ 6,819,216	Qatar	8	\$ 211,012
France	49	\$ 82,260,675	Saudi Arabia	22	\$ 7,814,794
Gabon	12	\$ 11,548,201	Singapore	12	\$ 1,142,859
Germany	149	\$ 7,915,768	Spain	8	\$ 14,076
Greece	2	\$ 188,535	Sweden	3	\$ 110,544
iceland	1	\$ 7,275	Trinidad & Tobago	8	\$ 117,818
Iraq	21	\$ 4,745,127	Turkey	1	\$ 1,018
!srael	26	\$ 2,476,823	United Arab Emirates	5	\$ 21,305
italy	25	\$ 8,967,759	United States	33	\$ 998,618
•		\$ 193,450,598	United Kingdom	137	\$ 24,659,175
			Totals	1,045	\$ 233,497,068

Country	Actions	I	Dollars	Country	Actions	Dollars
Afganistan	1	\$	4,600	Korea, Republic of	2	\$ 7,379
Canada	1	\$	15,878	Kuwait	2	\$ 2,018,352
Colombia	1	\$	67,708	United Kingdom	1	\$ 23,209
Germany	4	\$	43,688	-		·
				Totals	12	\$ 2,180,814

Country	Actions	Dollars	Country	Actions	Dollars
Belgium	1	\$ 13,040	Japan	6	\$ (84,604)
Canada	36	\$ 5,068,835	Korea	6	\$ 140,940
Colombia	6	\$ 71,121	Kuwait	5	\$ 383,695
Gabon	2	\$ 89,940	Netherlands	2	\$ 5,518
Germany	3	\$ 23,840	Saudi Arabia	1	\$ 4,100
Honduras	7	\$ 6,894	Spain	3	\$ 3,460
israel	1	\$ 53,802	United States	2	\$ 10,698
Italy	7	\$ 208,229	United Kingdom	26	\$ 1,815,098
		•	Totals	114	\$ 7,814,606

Country	Actions	Dollars	Country	Actions	Dollars
Australia	2	\$ 8,291	Japan	24	\$ 122,001
Bahrain	4	\$ 114,348	Korea	12	\$ 113,882
Belgium	1	\$ 3,324	Kuwait	4	\$ 424,569
Canada	3	\$ 145,282	Netherlands	7	\$ 54,637
Germany	20	\$ 416,454	Panama	1	\$ 755
Greece	3	\$ (10,000)	Philippines	11	\$ 110,242
iraq	7	\$ 424,065	Spain	5	\$ 16,063
Italy	19	\$ 423,323	United States	1	\$ 96,596
			Totals	124	\$ 2,463,832

DCP B3 - Transportation Equipment	n Equipment						
Country	Actions		Dollars	Country	Actions		Dollars
Germany Honduras Italy		ωω ω.	14,422 675 4,538	Japan Qatar Spain	₹0 4 ←	↔ ↔	43,225 3,507,486 2,361
				Totals	1	49	3,572,707

DCP B9 - Production Equipme	ipment						
Country	Actions		Dollars	Country	Actions		Dollars
Canada Germany	- 4	\$ \$	4,758 329,271	Italy Qatar United Kingdom	0	ө ө ө	3,752 3,129 47,596
				Totais	6	4	388,506

DCP C9A - Construction Equi	on Equipment						
Country	Actions		Dollars	Country	Actions		Dollars
Afghanistan	8	⇔	5,017,054	iraq	ro	49	1.533.640
Australia	2	↔	19,036	Israel	22	₩.	305,888
Austria	10	s	100,591	Italy	33	₩.	343,870
Belgium	_	43	4,548	Japan	5	₩	22.676
Canada	424	↔	3,589,276	Korea	4	₩.	210,226
Colombia	-	₩.	8,820	Kuwait	မှ	6 9	384.572
Denmark	က	G	39,120	Romania	-	₩	2.246.200
Gabon	35	↔	327,646	Switzerland	192	· 6 3	2.100,317
Germany	92	s	935,387	Turkey	88	₩	284,822
Honduras	-	6	6,440	United Kingdom	7	₩.	15,039
				Totals	882	4	17,495,168

Page 7 of table 5

Country	Actions	Dollars	Country	Actions		Dollars
Belgium	13	\$ 91,688	Korea, Republic of	26	\$	606,796
Canada	6,577	\$ 1,436,223	Kuwait	4	\$	535,202
Colombia	24	\$ 546,806	Netherlands	4	\$	13,589
Denmark	1	\$ 14,370	Norway	1	\$	5,625
Egypt	1	\$ 170,475	Philippines	4	\$	92,193
Finland	1	\$ 4,680	Qatar	1	\$	15,925
France	1	\$ 9,715	Saudi Arabia	9	\$	1,228,221
Germany	511	\$ 10,850,416	Spaiin	41	\$	383,695
Iceland	2	\$ 15,978	Sweden	1	\$	(8,721
Italy	105	\$ 719,502	United Arab Emirates	2	\$	10,131
Jamaica	1	\$ 1,347	United States	1	\$. 18,340
Japan	169	\$ 1,775,762	United Kingdom	6	\$	16,361,291
			Totals	7,506	s	34,899,249

DCP C9C - Photogra	phic Equipment & Sup	plies				
Country	Actions		Dollars	Country	Actions	Dollars
Australia	4,302	\$	10,996,716	Korea, Republic of	5	\$ 42,689
Canada	1	\$	6,831	Kuwait	4	\$ 32,436
Colombia	6	\$	77,871	Qatar	1	\$ 276,390
Germany	5	\$	33,937	Singapore	1	\$ 5,821
iraq	1	\$	14,449	United Arab Emirates	1	\$ 1,440
Japan	1	\$	9,563	Unied Kingdom	97	\$ 3,230,757
				Totals	4,425	\$ 14,728,900

Country	Actions	Dollars	Country	Actions		Dollars
Canada	11	\$ 768,771	Korea, Republic of	11	\$	669,959
France	1	\$ 36,904	Kuwait	3	\$	103,400
Germany	24	\$ 426,908	Qatar	1	\$	26,446
Honduras	1	\$ 3,878	Saudi Arabia	1	\$	118,000
Iceland	2	\$ (33,068)	Turkey	1	\$	7,182
Italy	3	\$ 135,442	United Arab Emirates	2	\$	59,000
Japan	5.	\$ 765,526	United States	2	.\$	19,511
•			United Kingdom	1	\$	1,961,765
			Totals	69	\$	5,069,624

Country	Actions		Dollars	Country	Actions		Dollars
Afganistan	7	\$	191,281	Japan	4,443	\$	32,031,872
Albania	1	\$	530	Jordan	3	\$	688,267
Armenia	1	\$	1,845	Kazakhstan	1	\$	1,031
Australia	14	\$	446,204	Kenya	9	\$	47,618
Austria	6	\$	1,633,909	Korea, Republic of	891	\$	9,574,129
Bahrain Bahrain	112	\$	1,460,681	Kuwait	1,052	\$	140,486,851
Barbados	1	\$	14,184	Lebanon	1	\$	415
3elgium	167	\$	1,744,849	Malawi	1	\$	59,637
Bolsnia & Herzegovina	1,402	\$	4,764,286	Mauritius	2	\$	39
3razil	4	\$	1,814	Mexico	4	\$	43,444
Burundi	1	\$	135	Moldova	2	\$	536
Cambodia	1	\$	8,755	Mongolia	1	\$	80
Canada	1,161	\$	89,218,967	Netherlands	57	\$	1,509,821
Chile	1	\$	28,800	New Zealand	9	\$	166,616
China	3	\$	12,150	Nicaragua	13	\$	133,827
Columbia	637	\$	18,492,663	Nigeria	1	\$	598
Comoros	2	\$	24,000	Norway	9	\$	74,948
Cuba	1	Š	13,000	Oman	1	\$	130
Cyprus	1	\$	430	Pakistan	1	\$	4,000
Czech Republic	2	Š	8,978	Panama	12	\$	497,57
Denmark	- 78	Š	4,124,907	Phillippines	3	\$	19,527
Dominica	2	Š	10,881	Portugal	55	\$	871,737
Dominican Republic	1	\$	7,000	Qatar	174	\$	8,659,903
Egypt	1	\$	280	Romania	1	\$	1,130,250
Eritrea	i	Š	90	Rwanda	1	\$	160,250
Finland	14	\$	16,167,721	Saudi Arabia	56	\$	64,265,473
Foreign	270	\$	24,707,993	Senegal	3	\$	63,558
France	6	\$	2,032,518	Singapore	69	\$	592,518
Gabon	38	\$	393,081	Slovenia	1	φ	580
Germany	10,430	¢	131,791,389	South Africa	1	4	37,760
Greece	4	¢ ·	45,689	Spain	358	e e	1,424,416
Guinea	1	φ	45,069 350	St. lucia	2	Ψ.	13,83
Suinea Haiti	3	φ.	1,694	Sweden	14	φ ¢	35,364,66
าลแ Honduras	126	ap de	679,865	Switzerland	1,279	ą.	237,618,868
· · · · · · · · · · · · · · · · · · ·	2	э \$	35,000	Syria		φ Φ	237,010,000
Hungary	2 324	4	1,466,113	Syria Tunisia	1 2	4	46,549
celand		Ď.			348	\$ \$	
ndia	1	\$	5,748	Turkey			32,791,667
raq	15,140	\$	5,111,391,068	Ukraine	2	\$	81,85
reland	9	\$	167,105	United Arab Emirates	303	\$	9,058,454
srael	19	\$	628,327	United Kingdom	697	\$	224,518,78
taly	1,839	\$	42,005,207	United States	385	\$	22,499,82
Jan Mayen Subtotals	3 31,837	\$ \$	18,729 5,453,748,216	Vietnam Subtotals	2 10,270	\$ \$	180 824,382,49 6
	- 1,001	•	-,, -,-	-	,	•	,002,100

TABLE 6							
riscal Year 2005		of Ma	inufactured Products fro	DoD Furchases of Manufactured Products from U.S. Suppliers With a Manufacturing Place of Performance Overseas	acturing Place of	i Performa	ince Overseas
Country	Actions		Dollars	Country	Actions		Dollars
Afganistan	ო	₩	5,185,244	Korea. Republic of	23	v	47E E0E
Australia	ۍ	↔	11,148,058	Kuwait	} ∞	→ 4	125,045
Austria	4	s	301,950	Lithuania		• 64	S AA3
Bahrain	&	49	111,609	Mexico	- en	•	305
Belgium	5	₩	201,297	Netherlands) «C	÷ 4	137 040
Brazil	-	69	520,155	Nicaragua	· 	÷ +	10.238
Canada	68	63	33,111,492	Nine	· -	•	5 231 420
China	12	63	749,880	Norway	-	- 4	12 001
Columbia	9	υ	4,511,051	Pakistan	· tc	•	124.277
Costa Rica	-	₩	7,600	Poland	• •-	•	50.50
Czech Republic		₩	3,342	Portugal		•	(41,000)
Denmark	7	69	514,835	Qatar	. 9	• 6	362 917
Finland	7	₩	4,359,137	Russia	2 2	₩	40.570
France	46	(/)	13,822,027	Saudi Arabia	· -	•	16 689 719
Gabon	o,	₩	101,242	Singapore	. 2	• •	23.216
Germany	534	63	24,525,662	South Africa	1 40	•	65 268 268
Greece	4	₩	1,027,042	Spain	. ~	€	14 906
Guyana	-	₩	6,958	Sweden	· 53	₩	37,670,629
Hait	-	₩	5,153	Switzerland	, ∞	•	3,408,870
e lucia	က	₩	18,392	Taiwan	က	•	46.064
Iraq	4	69	2,137,709	Turkey	162	69	1 475 655
Israel	=	w	1,788,802	United Arab Emirates	7	₩	4 672
Italy	83	₩	5,180,794	United Kingdom	99	•	3 083 232
Japan	26	\$	26,457,287	•	}	•	100010
Subtotals	893	•	135,796,718	Subtotals	378	•	134,386,493
				Totals	1,271	•	270,183,211

FISCAL YEAR 2005 PURCHASES FROM FOREIGN CONCERNS UNDER TRADE AGREEMENTS AND MEMORANDA OF UNDERSTANDING

TRADE AGREEMENTS

COUNTRY	DOLLARS		
Caribbean Basin	Economic Recovery Act		
Costa Rica	\$	10,711,211	
Honduras	\$	16,741,126	
Total	\$	27,452,337	

COUNTRY North American	DOLLARS ree Trade Agreement (NAFTA)		
Canada	\$ 31,394,674 2,449,662	(2	
Mexico	\$ 2,449,662	(3	
Total	\$ 33,844,336		

COUNTRY Other Free		DOLLARS rade Agreements		
Chile	s	3,840,143	(A)	
Singapore	š	74,350		
Australia	Š		(4	
Morocco	\$			
Total	\$	19,745,890		
	·	18,740,000		

COUNTRY	DOLLARS					
Designated Country - A	esignated Country - Agreement on Government					
·-						
Austria	\$	1,396,607				
Belgium	\$	4,179,614				
Canada	\$	275,541,927				
Denmark	\$	818,019				
Djibouti	\$	28,376,200				
Finland	\$	15,556,173				
France	\$	25,065,325				
Germany	\$	366,150,630				
Greece	\$	265,104,721				
Hong Kong	\$	389,219				
Iceland	\$	6,336,763				
Israel	\$	16,692,084				
İtaly	\$	81,706,236				
Japan	\$	13,985,345				
Korea	\$	207,379,184				
Netherlands	\$	346,220,915				
Nicaragua	\$	391,466				
Norway	\$	4,868,688				
Panama	\$	305,000				
Portugal	\$	9,423,308				
Spain	\$	95,116,178				
Sweden	\$	4,420,671				
Switzerland	2	191,430,631				
United Kingdom	Š	470,034,301				
1		,,				
Total	\$	2,430,889,205				

MEMORANDA OF UNDERSTANDING

COUNTRY		DOLLARS					
	Covers all purchases not reflected under the						
•							
Trade Agreements							
Australia	\$	4,283,933					
Austria	\$	3,034,036					
Belgium	\$	55,503,004					
Canada	\$	324,203,591					
Denmark	\$	9,499,415					
Egypt	\$	1,606,792					
Finland	\$	624,328					
France	\$	120,889,365					
Germany	\$	151,930,395					
Greece	\$	478,382					
Israel	\$	92,629,940					
Italy	\$	29,558,396					
Luxembourg	\$	8,416					
Netherlands	\$	5,388,065					
Norway	\$	4,572,159					
Portugal	\$	924,919					
Spain	\$	23,071,418					
Sweden	\$	82,675,087					
Switzerland	\$	50,329,437					
Turkey	\$	32,015,295					
United Kingdom	\$	522,383,978					
Total	<u>.</u>	1,515,610,351					

Grand Total \$ 4,027,	542,119

- (1) The threshold for procurements for both the Agreement on Government Procurement and the Caribbean Basin Initiative is \$175,000.
- (2) Per NAFTA, represents procurements with Canada over \$25K and under the TAA threshold.
- (3) Per NAFTA, represents procurement with Mexico over \$58,550
- (4) Per the Chile, Singapore and Australian FTAs, the threshold for procurements is \$58,550
- (5) The USTR has renegotiated the thresholds for the TAA and FTAs which increased the thrsholds. However, since this occurred during the year, we have used the lower thresholds to identify purchases

TABLE 8

DoD Purchases of Manufactured Items - FY 2005

	Ur	ited States	Fore	eign	1	Foreigr	1
DCP	DoD Claimant Program	Actions	Dollars	i	Actions		Dollars
A1A	Air Frames & Spares	43,114	\$ 19,192,332,594		996	\$	259,408,785
A1B	Aircraft Engines & Spares	19,438	\$ 5,008,874,224	1	1,082	\$	310,637,513
A1C	Other Aircraft Equipment	21,564	\$ 5,401,104,074		558	\$	117,444,629
A2	Missile & Space Sys	3,919	\$ 7,185,864,514		76	\$	14,301,822
А3	Ships	27,541	\$ 7,815 ,86 5, 04 6		550	\$	32, 85 8,185
A4A	Vehicles - Combat	10,900	\$ 5,249,830,781		429	\$	107,676,549
A4B	Non Combat	9,346	\$ 5,272,412,970		676	\$	199,402,722
A5	Weapons	5,043	\$ 2,863,490,045		111	\$	362,794,757
A6	Ammunition	1,692	\$ 3,147,884,358		110	\$	203,530,253
A7	Electronic & Communication Equip	57,908	\$ 14,805,792,422		1,045	\$	233,497,068
A8C	Separately Procured Containers & Handling Equipment	1,171	\$ 50,746,580		12	\$	2,180,814
A9	Textiles, Clothing & Equipage	7,008	\$ 2,743,180,714		114	\$	7,814,606
B1	Building Supplies	671	\$ 22,504,499		124	\$	2,463,832
B3	Transportation Equipment	68	\$ 1,542,379	·	13	\$	3,572,707
В9	Production Equipment	865	\$ 160,834,050		9	\$	388,506
C9A	Construction Equipment	116,331	\$ 1,025,075,375		882	\$	17,495,168
C9B	Medical & Dental Supplies & Equip	150,025	\$ 3,608,496,086		7,506	\$	34,899,249
C9C	Photographic Supplies & Equipment	1,445	\$ 61,027,570		4,425	\$	14,728,900
C9D	Materials Handling Equipment	1,321	\$ 144,843,767		69	\$	5,069,624
C9E	All other Supplies & Equipment	353,048	\$ 13,488,757,845		42,107	\$	6,278,130,712
Total		832,418	\$ 97,250,459,893		60,894	\$	8,208,296,401

Note 1: The Services Category (S1) included a number of products which have been included in the total for US supplies manufacturing overseas

US Mfg in Foreign Country Actions Dollars \$ 16 25,555,453 7 \$ (76,947)11 \$ 10,853,581 6 370,410 4,651,724 2,412,671 26 33 \$ 97,571,658 1,132,900 3 \$ 452,425 \$ 35,842,273 114 0 199,062 103,761 7,674,070 130 \$ 1,211,092 39 32,266,641 2 27,949 462,131 765 32,153,310 1,219 \$ 252,864,164 S1 52 \$ 17,319,047 1,271 \$ 270,183,211