# **REPORT TO CONGRESS**

# <u>PURCHASES FROM FOREIGN ENTITIES</u> <u>May 2008</u>

**Deputy Under Secretary of Defense (Acquisition & Technology)** 

# **Background**

Section 827 of the National Defense Authorization Act for Fiscal 1997 (Public Law 104-201), as amended by section 812 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105-261), requires the Secretary of Defense to submit a report to Congress on the amount of Department of Defense (DoD) purchases from foreign entities in Fiscal Year 2007. 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 presented in this report addresses Fiscal Year 2007 and is based on data from the Federal Procurement Data System – New Generation (FPDS-NG), data compiled and distributed by DoD's Defense Manpower Data Center, Statistical Analysis Information Division, and data published by the Defense Security Cooperation Agency (DSCA). DSCA data include commercial export data from the State Department's Office of Defense Trade Controls. The FPDS-NG data addresses contracting procedures, competition, financing, statutory requirements, socioeconomic programs and other information relating to DoD acquisitions. In some instances, the exact information required by section 827 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 - All procurements from foreign entities**

DoD procurement actions recorded in FPDS-NG during FY 2007 totaled approximately \$316 billion. Of that amount, approximately \$18.6 billion or 5.9 percent was expended on purchases from foreign entities. Of this amount, approximately \$17.9 billion is for contracts with a place of performance outside the U.S. and the remainder,

\$ .7 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 \$18.6 billion covers military hardware, subsistence, fuel, construction, services, and other miscellaneous items that are for use outside the U.S. Defense equipment constitutes approximately 10 percent of the purchases from foreign entities. Fuel, services, construction and subsistence account for approximately 26.6 percent, 6.74 percent, 6.38 percent, and .5 percent, respectively, or approximately 40 percent of the total purchases from foreign entities. Table 2 provides a breakout of the \$18.6 billion by category and percentage of total.

Based on DSCA data, foreign purchases of U.S. defense articles and services in Fiscal Year 2007 totaled approximately \$19.5 billion in FMS and \$3.8 billion in non-FMS for a combined total of \$23.3 billion in Security Assistance Sales (SAS). In addition, data provided directly by the State Department reflect that in Fiscal Year 2007, U.S. Commercial Exports of hardware sales totaled \$24.5 billion and sales of defense services totaled \$64.3 billion.

# <u>Section 2 - Dollar value of items for which the BAA was waived pursuant to any</u> MOUs, the TAA or other international agreements

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. The FPDS-NG is being updated to capture this information in the future. However, in an effort to address this congressional reporting requirement, 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. Purchases by these offices are included in the data for Section 1 above.
- 2. It is assumed that all procurements covered by MOUs, the 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 were not made for those events.

Table 3 contains a detailed breakout of procurement actions by country and type of agreement. This breakout reflects the following procurement actions:

- 1. Actions pursuant to the Caribbean Basic Economic Recovery Act
- 2. Actions under World Trade Organization (WTO) Agreement on Government Procurement
- 3. Actions under Free Trade Agreements (FTAs)
  - a. The North American Free Trade Agreements (NAFTA).
    - Canada and Mexico
  - b. Australia FTA
  - c. Bahrain
  - d. Central America Free Trade Agreement (CAFTA)
  - e. Chile FTA
  - f. El Salvador
  - g. Morocco FTA
  - h. Singapore FTA
- 4. Actions under MOUs.

DoD purchases under numbers 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, but are segregated so as to not be duplicative. The following is a breakout of how DoD purchases are reported in those instances:

Canadian products subject to NAFTA coverage equal to or exceeding \$25,000 but below the Fiscal Year 2007 TAA threshold of \$193,000 are reported under NAFTA. Procurement actions equal to or exceeding \$193,000 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 WTO Agreement on Government Procurement and does not have a reciprocal procurement MOU with the U.S. Accordingly, all DoD purchases of Mexican products equal to or exceeding \$64,786 are reported under NAFTA. There were no DoD purchases from Mexico under NAFTA in FY 2007.

Australian products subject to FTA coverage equal to or exceeding \$64,786 are reported under the Australian FTA. Australia is not a party to the WTO Agreement on Government Procurement 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.

Bahrain is not a party to the WTO Agreement on Government Procurement and does not have a reciprocal procurement MOU with the U.S. Therefore, all DoD purchases of products from Bahrain equal to or exceeding the FTA threshold of \$193,000 are reported under the Bahrain FTA.

The CAFTA includes El Salvador, Guatemala, Honduras, and Nicaragua. These countries are not parties to the WTO Agreement on Government Procurement and do not have a reciprocal procurement MOU with the U.S. Therefore, all DoD purchases of products of these countries equal to or exceeding \$64,786 are reported under CAFTA.

Chile is not a party to the WTO Agreement on Government Procurement and does not have a reciprocal procurement MOU with the U.S. Therefore, all DoD purchases of Chilean products equal to or exceeding \$64,786 are reported under the Chile FTA. There were no DoD purchases of Chilean products in FY 2007.

Morocco is not a party to the WTO Agreement on Government Procurement and does not have a reciprocal procurement MOU with the U.S. Therefore, products subject to FTA coverage equal to or exceeding \$193,000 are reported under the Moroccan FTA. There were no DoD purchases from Morocco in FY 2007.

Singapore products subject to FTA coverage equal to or exceeding \$64,786 but below the FY 2007 TAA threshold of \$193,000 are reported under the Singapore FTA. Procurement actions over \$193,000 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. There were no DoD purchases from Singapore in FY 2007.

Using the methodology described above, the various international agreements for which it is assumed that the BAA was waived totaled approximately \$4,959.7 million in FY 2007. A detailed breakout is below:

1. Caribbean Basin Economic Recovery	\$ 20.95	
2. Trade Agreements Act (including Least Developed Countries)	4,560.21	
3. NAFTA (Canada)	20.98	
4. Australia FTA	4.19	
5. Bahrain FTA	359.97	
6. CAFTA	1.27	
7. MOUs	216.20	
Total	\$ 5,183.77	Million

A breakout by country is contained in Table 3.

20,731	<del>(</del> 4)	4	LUXEMBOURG	\$ 1,638,587	15	EL SALVADOR
1,172,700	4	^	LEBANON		84	EGYPI
1 170 70	9 (	3 0	Carry			
9.295	69	55	I ATVIA	اد	71	FCHADOR
4,156,309	ક	80	LAOS	\$ 8,489,493	14	DJIBOUTI
708,051,176	ક	2	KYRGYZSTAN	\$ 18,342,611	8,652	DENMARK
2,522,200,312	49	7,036	KUWAIT	\$ 393,464	6	CZECH REPUBLIC
102,479	49	6	KIRIBATI	\$ 12,347,001	17	CUBA
716,929	49	ω	KENYA	\$ 8,365,546	21	CROATIA
4,490,332	69	9	KAZAKHSTAN	\$ 1,195,479	<sub>C</sub>	COSTA RICA
12,463,375	69	11	JORDAN		6	COMOROS
597,271,557	69	8,974	JAPAN	\$ 59,685,017	1,797	COLOMBIA
239,390	€9	6	JAN MAYEN [NORWAY]	\$ 147,709	2	CHILE
1,897,339	69	2	JAMAICA	\$ 54,862		CHAD
254,439,915	<del>()</del>	6,170	ITALY	\$ 882,500,847	16,534	CANADA
76,841,353	€9	123	ISRAEL	\$ 254,646	1	CAMBODIA
1,493,974	49	22	IRELAND	\$ 34,918		BURMA (MYANMAR)
4,528,931,163	€9	26,068	IRAQ	\$ 204,387	21	BULGARIA
1,793,708	G	56	INDONESIA	\$ 1,020		BRUNEI
181,183	69	9	INDIA	\$ 28,036		BOTSWANA
53,649	4	ω	ICELAND	\$ 216,922	7	BOLIVIA
176,356	49	œ	HUNGARY	\$ 4,455	2	BENIN
178,007	€	44	HONG KONG	\$ 2,122,112	30	BELIZE
785,321	49	18	HONDURAS	\$ 42,589,996	415	BELGIUM
2,388,720	€9	33	GUATEMALA	\$ 507,595	ω	BARBADOS
338,895	€	9	GREENLAND [DENMARK]	\$ 40,000	2	BANGLADESH
810,492,664	€9	150	GREECE	\$ 460,043,220	2,589	BAHRAIN
72,242	49	4	GIBRALTAR [UK]		_	AZERBAIJAN
294,595	49	11	GHANA	\$ 3,182,277	51	AUSTRIA
789,064,680	G	34,940	GERMANY	\$ 24,413,397	126	AUSTRALIA
(193,550)	€	7	GEORGIA	\$ 22,044,067	22	ARUBA [NETHERLANDS]
53,825	G	13	GABON	\$ 59,969	1	ARMENIA
10,311,000	49	123	FRANCE	\$ 101,026	Ø	ARGENTINA
94,409	49	O1	FINLAND	\$ 18,116		ANTARCTICA
107,481	4	-4	ETHIOPIA	\$ 1,199,283,700	12,348	AFGHANISTAN
Dollars		Actions	Country Name	Dollars	Actions	Country Name
		3 - FY 2007	DEPARTMENT OF DEFENSE PURCHASES FROM FOREIGN ENTITIES	DEPARTMENT OF DEFENSE P		
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Country Name         Actions         Dollars         Country Name         Actions         Dollars           MACEDONIA         13         \$ 153,779         PORTUGAL         164         \$ 8.8           MALLAYSIA         15         \$ 93,587         OLATAR         419         \$ 447         \$ 447           MALLAYSIA         15         \$ 93,587         PORTUGAL         419         \$ 447         \$ 447           MALLAYSIA         15         \$ 9255         PORTUGAL         419         \$ 447         \$ 447           MALLAYSIA         15         \$ 93,587         PORTUGAL         419         \$ 447 <t< th=""><th></th><th></th><th>טברא</th><th>A MEN OF DETE</th><th>DEFAR I MEN I OF DEFENSE FORCHAGES FROM FOREIGN ENTITIES - F 1 2001</th><th>2003</th><th></th><th></th></t<>			טברא	A MEN OF DETE	DEFAR I MEN I OF DEFENSE FORCHAGES FROM FOREIGN ENTITIES - F 1 2001	2003		
DONIA   13   \$ 153.779   PORTUGAL   164   \$ 1758   YUNIA   15   \$ 303.587   OATAR   449   \$ 5   \$ 175.709   OATAR   449   \$ 5   \$ 175.000   OATAR   449   \$ 5   OATAR   449   \$	Country Name	Actions		Dollars	Country Name	Actions		Dollars
VISIA         15         5         383,597         OATÁR         419         \$           SHALL ISLANDS         9         \$ 177,720         RUSSIA         36         \$           RITIANIA         1         \$ 177,720         RUSSIA         36         \$           CO         2         \$ 159,928         SAINT HELEVA (UKI)         1         \$           CO         2         \$ 10,220         SAINT HUCIA         1         \$           CO         2         \$ 10,220         SAINT HUCIA         1         \$           SOVA         2         \$ 7,600         SAUDI ARABIA         303         \$           SOVA         7         \$ 148,190         SERBIA AND MONTENEGRQ         5         \$           GOLIA         7         \$ 148,190         SERBIA AND MONTENEGRQ         5         \$           SERBIA AND MONTENEGRQ         5         \$ 1,819         SERBIA AND MONTENEGRQ         5         \$           SERBIA SATILLES (NE         4         \$ 1,819         SERBIA AND MONTENEGRQ         5         \$           SERBIA SATILLES (NE         4         \$ 1,8637         SINCAPORE         1,1229         \$           SERBIA SATILLES (NE         3         \$ 1,8439	MACEDONIA	13	မ	153,779	PORTUGAL	164	49	8,577,632
SHALL ISLANDS   4   S 86.286   ROMANIA   3.6   STITZNIA   1   S 179.928   RUSKIA   3.6   S 177.700   RUSKIA   3.6   S 177.700   RUSKIA   3.6   S 179.928   SAINT LUCIA   1	MALAYSIA	15	(A)	383,587	QATAR	419	69	44,22
SHALL ISLANDS         9         \$ 177,730         RUSSIA         36         \$ 177,730           RITINAIA         1         \$ 159,228         SAINT HELENA [UK]         1         \$ 5,000           CO         2         \$ 10,280         SAINT HELENA [UK]         1         \$ 5,000           CO         2         \$ 2,360         SAINT HELENA [UK]         1         \$ 5,000           CO         2         \$ 2,360         SAINT HELENA [UK]         1         \$ 5,000           CO         2         \$ 2,360         SAINT HELENA [UK]         1         \$ 5,000           CO         2         \$ 3,000         SAINT HELENA [UK]         1         \$ 5,000           GOLIA         7         \$ 1,48190         SERBIA AND MONTENEGRI         20         \$ 5,000           GOLIA         7         \$ 1,819         SERBIA AND MONTENEGRI         5         \$ 5,000           CCO         4         \$ 1,819         SEVHELLES         2.28         \$ 5,000           CCO         4         \$ 1,819         SEVHELLES         1,229         \$ 5,000           CERLANDS         19         \$ 1,349         SEVHELLES         1,229         \$ 5,000           CERBIA         10         \$ 1,239<	MALI	4	69	86,285	ROMANIA	41	49	7,237,238
TANIA         1         \$ 159,828         SANT HELENA (LUK)         1         \$ 171,000           DO         2         \$ 10,280         SANT LUCIA         1         \$ 3031         \$ 3031 LUCIA         1         \$ 3031	MARSHALL ISLANDS	9	ક્ક	177,730	RUSSIA	36	€9	27,71
TIUIS         2         \$ 10,280         SAINT LUCIA         1         \$ 10,800         SAINT LUCIA         1         \$ 333         \$ 10,819         \$ 300 <t< td=""><td>MAURITANIA</td><td>-</td><td>49</td><td>159,828</td><td></td><td></td><td>€9</td><td>(1)</td></t<>	MAURITANIA	-	49	159,828			€9	(1)
NISOLA, FEDERATED ST   2   \$ 23,312   SAUDI ARABIA   302   \$ 20,000   SERBICAL   7   \$ 3,000   SERBICAL   7   \$ 3,000   SERBICA NID MONTENEGRIC   5   \$ 3,000   SERBICA NID   SERVICHELLES   3   \$ 3,000   SERBICA NID   SERVICHELLES   3   \$ 3,000   SERBICA NID   SERVICHELLES   3   \$ 3,000   SERBICA   3   \$ \$ 3,000   SER	MAURITIUS	2	€9	10,280	SAINT LUCIA		49	7
NIESIA, FEDERATIED ST         2         \$         23312         SAUDI ARABIA         303         \$           DIJA         7         \$         148,190         SERBIA AND MONTENEGRQ         5         \$           DIJA         7         \$         148,190         SERBIA AND MONTENEGRQ         5         \$           NEGRO         1         \$         1,889         SERBIA AND MONTENEGRQ         5         \$           NEGRO         1         \$         1,889         SERBIA AND MONTENEGRQ         5         \$           NEGRO         1         \$         1,889         SERBIA AND MONTENEGRQ         5         \$           NEGRO         1         \$         1,889         SERBIA AND MONTENEGRQ         5         \$           NEW CELLAND         1         \$         1,889         SERBIA AND MONTENEGRQ         2         \$           RELANDS         17         \$         1,242,993         SOUTH MOREA         2         \$           SCIONAND         15         \$         1,242,993         SOUTH HOREA         7,072         \$         1           NEW ZEALAND         10         \$         3,842,593         SOUTH HOREA         7,072         \$         1      <	MEXICO	2	49	7,600	ַ סר <u>ַ</u>	1	49	
DUA         2         \$ 9,000         SENEGAL         7         \$ 148,190         SENEGAL         7         \$ 1,680         SERBIA AND MONTENEGRC         \$ 5         \$ 1,680         SERBIA AND MONTENEGRC         \$ 5         \$ 5         \$ 5         \$ 5         \$ 5         \$ 5         \$ 5         \$ 5         \$ 5         \$ 5         \$ 5         \$ 5         \$ 5         \$ 5         \$ 5         \$ 5         \$ 5         \$ 5         \$ 5         \$ 6         \$ 5         \$ 5         \$ 6         \$ 5         \$ 7,072	MICRONESIA, FEDERATED ST	2	49	23,312	SAUDI ARABIA	303	<del>(A)</del>	109,79
DLIA         7         \$ 148,190         SERBA AND MONTENEGR         5         \$ 1,880         SERBA AND MONTENEGR         5         \$ 1,880         SERBA SAND MONTENEGR         5         \$ 5         \$ 5         \$ 5         \$ 5         \$ 5         \$ 5         \$ 5         \$ 5         \$ 5         \$ 5         \$ 5         \$ 5         \$ 5         \$ 5         \$ 5         \$ 5         \$ 5         \$ 5         \$ 7,46,983         \$ 5         \$ 7,46,983         \$ 5         \$ 7,46,983         \$ 5         \$ 7,46,983         \$ 5         \$ 7,46,983         \$ 5         \$ 7,46,983         \$ 5         \$ 7,46,983         \$ 5         \$ 7,46,983         \$ 5         \$ 7,46,983         \$ 5         \$ 7,46,983         \$ 5         \$ 7,46,983         \$ 5         \$ 7,46,983         \$ 5         \$ 7,472         \$ 7,772	MOLDOVA	2	49	9,000	SENEGAL	7	€9	481,469
NEGRO   1   \$   1,80	MONGOLIA	7	69	148,190		ഗ	€9	14,550
CCO         4         \$ 1,819         SEYCHELLES         3         \$           FILANDS ANTILLES (NE         4         \$ 81,637         SINGAPORE         1,229         \$           FILANDS         758         \$ 4,946,811         SLOVAKIA         6         \$           FILANDD         9         \$ 746,098         SLOVENIA         6         \$           FALANDD         9         \$ 7,446,098         SLOVENIA         6         \$           FALANDD         9         \$ 7,446,098         SLOVENIA         6         \$           FALANDD         9         \$ 7,446,098         SLOVENIA         6         \$           ACGUA         17         \$ 2,424,993         SOLOMON ISLANDS         1         \$           ACGUA         20         \$ 133,494         SOLUTH KOREA         7,072         \$         \$           AVEW ZELAND         13         \$ 26,518,199         SULTH KOREA         7,072         \$         \$         1         \$         \$         1         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$	MONTENEGRO	-	€9	1,680	SERBIA	ω	69	1,860
RILANDS ANTILLES [NE	MOROCCO	4	\$	1,819	SEYCHELLES	ω	49	16,878,463
RILANDS   758   \$ 4,946,811   SLOVAKIA   2   \$   EALAND   9   \$ 746,098   SLOVENIA   6   \$   \$   \$   \$   \$   \$   \$   \$   \$	NETHERLANDS ANTILLES (NE	4	↔	81,637	SINGAPORE	1,229	₩	16,372,484
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VIEW ZEALAND]         30         \$ (4,981)         SOUTH KOREA         7,072         \$ 1           KOREA         20         \$ 133,494         SPAIN         1,857         \$ 1           AY         50         \$ 388,756,802         SWEDEN         15         \$ 14           AY         2         \$ 388,756,802         SWEDEN         15         \$ 15           AY         2         \$ 26,518,189         TANZANIA         1         \$ 17	NIGER	ω	€9	104,229	SOUTH AFRICA	23	↔	17
4 KOREA         20         \$ 133,494         SPAIN         1,857         \$ 4AY           AY         50         \$ 388,756,802         SWEDEN         15         \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	NIUE [NEW ZEALAND]	30	€9	(4,981)	SOUTH KOREA	7,072	6	1,425,81
AY         50         \$ 388,756,802         SWEDEN         15         \$           7AN         13         \$ 26,518,189         TANZANIA         1         \$           17         \$ 26,518,189         THAILAND         282         \$           17         \$ (2,398,555)         THAILAND         282         \$           18         2 (2,398,555)         TURKEY         417         \$           19         \$ 123,646         UNITED ARAB EMIRATES         2,148         \$           10         13         \$ 1,308,816         UNITED KINGDOM         3,289         \$         1           1D         13         \$ 3,743,040         UNITED STATES         2,148         \$         \$           1D         1,227         \$ 447,586,964         Subtotal         23,687         \$         \$           21         \$ 447,586,964         Subtotal         23,687         \$         \$         \$           23         \$ 447,586,964         Subtotal         23,687         \$         \$         \$           23         \$ 447,586,964         Subtotal         23,687         \$         \$         \$	NORTH KOREA	20	49	133,494	SPAIN	1,857	69	252,26
2   \$   7,012   SWITZERLAND   3,727   \$   701	NORWAY	50	69	388,756,802	SWEDEN	ઝ	€9	17,84
TAN         13         \$ 26,518,189         TANZANIA         1         \$           10         17         \$ (2,398,555)         THAILAND         282         \$           10         2         \$ (2,398,555)         TURKEY         417         \$           10         2         \$ (2,398,555)         UKRAINE         7         \$           10         4         1         \$ (2,398,555)         UKRAINE         7         \$           10         2         \$ (1,308,616)         UNITED ARAB EMIRATES         2,148         \$           10         13         \$ (1,308,616)         UNITED STATES         2,248         \$           10         13         \$ (3,743,040)         UNITED STATES         2,586         \$           20         \$ (47,586,964)         VIETNAM         41         \$           21         \$ (47,586,964)         Subtotal         23,687         \$           25         \$ (47,586,964)         TOTAL         151,735         \$	OMAN	2	69	7,012	SWITZERLAND	3,727	€9	534,14
J         17         \$ (2,398,555)         THAILAND         282         \$ (2,398,555)         THAILAND         282         \$ (2,398,555)         TURKEY         417         \$ (2,398,555)         TURKEY         417         \$ (2,398,555)         TURKEY         417         \$ (2,398,555)         TURKEY         TURKEY         417         \$ (2,398,555)         TURKEY         TURKEY         417         \$ (2,398,555)         \$ (2,398,656)         \$ (2,398,656)         \$ (2,398,656)         \$ (2,398,656)         \$ (2,398,656)         \$ (2,398,656)         \$ (2,398,656)         \$ (2,398,656)         \$ (2,398,656)         \$ (2,398,656)         \$ (2,398,656)         \$ (2,398,656)         \$ (2,398,656)         \$ (2,148)         \$ (2,398,656)         \$ (2,398,616)         \$ (2,148)         \$ (2,348)         \$ (2,148) <td>PAKISTAN</td> <td>13</td> <td>€9</td> <td>26,518,189</td> <td>TANZANIA</td> <td></td> <td>69</td> <td>   </td>	PAKISTAN	13	€9	26,518,189	TANZANIA		69	 
MA         2         \$ 260,697         TURKEY         417         \$ 123,646         UKRAINE         7         \$ 123,646         UNITED ARAB EMIRATES         2,148         \$ 9         \$ 1,308,816         UNITED ARAB EMIRATES         2,148         \$ 1,218         \$ 1,227         \$ 13,008,816         UNITED KINGDOM         3,289         \$ 1	PALAU	17	€9	(2,398,555)	THAILAND	282	49	5,66
NEW GUINEA	PANAMA	2	49	260,697	TURKEY	417	€	241,64
2   \$ 1,308,816   UNITED ARAB EMIRATES   2,148   \$ 9	PAPUA NEW GUINEA	6	49	123,646	UKRAINE	7	49	9,358,946
PINES         219         \$ 19,671,946         UNITED KINGDOM         3,289         \$ 1           ID         13         \$ 3,743,040         UNITED STATES         2,586         \$ 3           Ial         1,227         \$ 447,586,964         Subtotal         23,687         \$ 5           IOTAL         151,735         \$ 18	PERU	2	49	1,308,816		2,148	မာ	251,38
13 \$ 3,743,040 UNITED STATES 2,586 \$  1,227 \$ 447,586,964 Subtotal 23,687 \$ 5,  1,727 \$ 151,735 \$ 18,	PHILIPPINES	219	€9	19,671,946	UNITED KINGDOM	3,289	49	1,327,40
1,227 \$ 447,586,964 Subtotal 23,687 \$ TOTAL 151,735 \$	POLAND	13	€9	3,743,040	UNITED STATES	2,586	↔	724,04
1,227 \$ 447,586,964 Subtotal 23,687 \$ TOTAL 151,735 \$					VIETNAM	41	69	78
151,735 \$	Subtotal	1,227	60	447,586,964	Subtotal	23,687	40	5,022,17
Page 7 of 7					ТОТАL	151,735	to	18,583,0
		-					Dage	of 3

# TABLE 2

# FISCAL YEAR 2007 PRIME CONTRACT AWARDS TO FOREIGN CONCERNS/ENTITIES

# (Amounts in Thousands)

DoD Claimant Program		Dollars	Percent
Air Frames & Spares Aircraft Engines & Spares Other Aircraft Equipment	\$ \$ \$	209,749,775 51,792,670 122,368,776	1.13% 0.28% 0.66%
Missile & Space Systems	\$	18,997,222	0.10%
Ships	\$	190,491,726	1.03%
Vehicles - Combat Non Combat	\$ \$	449,733,356 202,975,206	2.42% 1.09%
Weapons	\$	106,130,161	0.57%
Ammunition	\$	219,502,797	1.18%
Electronic & Communication Equipment	\$	302,108,961	1.63%
Petroleum	\$	4,942,404,580	26.60%
Other fuels & lubricants	\$	10,493,871	0.06%
Containers and Handling Equipment	\$	482,837	0.00%
Textiles, Clothing & Equippage	\$	24,754,042	0.13%
Building Supplies	\$	1,112,262	0.01%
Subsistence	\$	84,952,952	0.46%
Transportation Equipment (Railway)	\$	718,390	0.00%
Production Equipment	\$	1,271,490	0.01%
Construction	\$	1,185,130,042	6.38%
Construction Equip	\$	24,708,089	0.13%
Med & Dental Supplies/Equip	\$	22,881,999	0.12%
Photographic Supplies/Equip	\$	1,922,701	0.01%
Materials Handling Equip	\$	4,698,719	0.03%
All Other Supplies & Equip	\$	9,151,984,572	49.25%
Services	\$	1,251,651,141	6.74%
Overall Total	\$	18,583,018,337	100.0%

TABLE 3

FISCAL YEAR 2007 PURCHASES FROM FOREIGN CONCERNS UNDER TRADE AGREEMENTS AND MEMORANDA OF UNDERSTANDING

TRADE AGREEMENTS

DOLLARS

Caribbean Basin Economic Recovery Act \$ 20,950,997 \$ 20,950,997

Aruba

Total

	\$386,401,635	Total
2223	\$ 20,977,406 \$ 20,977,406 \$ 1,095,429 \$ 170,000	barirain Canada El Salvador Honduras
(S)		Australia
	DOLLARS	COUNTRY Free Trade Agreements

COUNTRY	DOLLARS	
Designated Country - Agreement on	ent on	
Government Procurement		3
Austria \$	697,690	
Belgium \$	232 081	
Canada \$	129,645,952	
Denmark \$	4,976,246	
France \$	635,974	
Germany \$	51,187,479	
Greece \$	807,707,575	
Israel \$	2,843,619	
Italy \$	96,405,687	
Japan \$	24,031,738	
Korea \$	1,006,494,651	
Netherlands \$	557,866	
Norway \$	45,066,368	
Spain \$	220,091,443	
Switzerland \$	742,586	
United Kingdom \$	1,108,455,496	
Total \$	3,499,772,451	

	DOLLARS
69	1,059,423,582
Ġ	1,016,354
49	1,060,439,936
	th th th

- (1) The threshold for procurements for these agreements is \$193,000.
- (2) The thresholds for these FTA procurements is \$64,786
- (3) Per NAFTA, represents procurements with Canada over \$25K and under the TAA threshold of \$193,000...

# MEMORANDA OF UNDERSTANDING

Covers all purchases not reflected under the various Trade Agreements	reflec	ted under
	5	
Australia	€9	192,870
Austria	69	76,379
Belgium	€9	655,906
Canada	↔	123,399,379
Denmark	69	6,662,326
France	49	1,781,479
Germany	€9	52,205,758
Greece	↔	364,619
Israel	€9	850,352
Italy	€9	9,330,561
Netherlands	₩	683,228
Norway	69	176,641
Portugal	€9	489,290
Spain	€₽	3,162,542
Sweden	60	147,717
Switzerland	<del>())</del>	127,001
Turkey	<del>(4)</del>	2,894,670
United Kingdom	69	13,000,588
Total	5	216,201,306