

§ 4863. Requirement to buy strategic materials critical to national security from American sources; exceptions

(a) REQUIREMENT.—Except as provided in subsections (b) through (m), the acquisition by the Department of Defense of the following items is prohibited:

(1) The following types of end items, or components thereof, containing a specialty metal not melted or produced in the United States: aircraft, missile and space systems, ships, tank and automotive items, weapon systems, or ammunition.

(2) A specialty metal that is not melted or produced in the United States and that is to be purchased directly by the Department of Defense or a prime contractor of the Department.

(b) AVAILABILITY EXCEPTION.—(1) Subsection (a) does not apply to the extent that the Secretary of Defense or the Secretary of the military department concerned determines that compliant specialty metal of satisfactory quality and sufficient quantity, and in the required form, cannot be procured as and when needed at a reasonable price. For purposes of the preceding sentence, the term “compliant specialty metal” means specialty metal melted or produced in the United States.

(2) This subsection applies to prime contracts and subcontracts at any tier under such contracts.

(3) The authority in subsection (b)(1)—

(A) may be delegated to the head of contracting activity for the relevant component for an exception for a single acquisition program;

(B) may be delegated to the senior acquisition executive of a military department for an exception for multiple programs within such military department; and

(C) may be delegated to the Undersecretary of Defense for Acquisition and Sustainment for an exception for more than one military department.

(c) EXCEPTION FOR CERTAIN ACQUISITIONS.—Subsection (a) does not apply to the following:

(1) Acquisitions outside the United States in support of contingency operations or for use outside of the United States.

(2) Acquisitions for which the use of procedures other than competitive procedures has been approved on the basis of section 3204(a)(2) of this title, relating to unusual and compelling urgency of need.

(d) EXCEPTION RELATING TO AGREEMENTS WITH FOREIGN GOVERNMENTS.—Subsection (a)(1) does not preclude the acquisition of a specialty metal if—

(1) the acquisition is necessary—

(A) to comply with agreements with foreign governments requiring the United States to purchase supplies from foreign sources for the purposes of offsetting sales made by the United States Government or United States firms under approved programs serving defense requirements; or

(B) in furtherance of agreements with qualifying foreign governments in which

both such governments agree to remove barriers to purchases of supplies produced in the other country or services performed by sources of the other country; and

(2) any such agreement with a foreign government complies, where applicable, with the requirements of section 36 of the Arms Export Control Act (22 U.S.C. 2776) and with section 2457 of this title.

(e) EXCEPTION FOR COMMISSARIES, EXCHANGES, AND OTHER NONAPPROPRIATED FUND INSTRUMENTALITIES.—Subsection (a) does not apply to items purchased for resale purposes in commissaries, exchanges, and nonappropriated fund instrumentalities operated by the Department of Defense.

(f) EXCEPTION FOR SMALL PURCHASES.—Subsection (a) does not apply to acquisitions in amounts not greater than the simplified acquisition threshold referred to in section 3205 of this title.

(g) EXCEPTION FOR PURCHASES OF ELECTRONIC COMPONENTS.—Subsection (a) does not apply to acquisitions of electronic components, unless the Secretary of Defense, upon the recommendation of the Strategic and Critical Materials Board of Directors pursuant to section 10 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h-1), determines that the domestic availability of a particular electronic component is critical to national security.

(h) APPLICABILITY TO ACQUISITIONS OF COMMERCIAL PRODUCTS.—(1) Except as provided in paragraphs (2) and (3), this section applies to acquisitions of commercial products, notwithstanding sections 1906 and 1907 of title 41.

(2) This section does not apply to contracts or subcontracts for the acquisition of commercially available off-the-shelf items, as defined in section 104 of title 41, other than—

(A) contracts or subcontracts for the acquisition of specialty metals, including mill products, such as bar, billet, slab, wire, plate and sheet, that have not been incorporated into end items, subsystems, assemblies, or components;

(B) contracts or subcontracts for the acquisition of forgings or castings of specialty metals, unless such forgings or castings are incorporated into commercially available off-the-shelf end items, subsystems, or assemblies;

(C) contracts or subcontracts for commercially available high performance magnets unless such high performance magnets are incorporated into commercially available off-the-shelf end items or subsystems; and

(D) contracts or subcontracts for commercially available off-the-shelf fasteners, unless such fasteners are—

(i) incorporated into commercially available off-the-shelf end items, subsystems, assemblies, or components; or

(ii) purchased as provided in paragraph (3).

(3) This section does not apply to fasteners that are commercial products that are purchased under a contract or subcontract with a manufacturer of such fasteners, if the manufacturer has certified that it will purchase, during the relevant calendar year, an amount of domestically melted specialty metal, in the required

form, for use in the production of such fasteners for sale to the Department of Defense and other customers, that is not less than 50 percent of the total amount of the specialty metal that it will purchase to carry out the production of such fasteners.

(i) EXCEPTIONS FOR PURCHASES OF SPECIALTY METALS BELOW MINIMUM THRESHOLD.—(1) Notwithstanding subsection (a), the Secretary of Defense or the Secretary of a military department may accept delivery of an item containing specialty metals that were not melted in the United States if the total amount of noncompliant specialty metals in the item does not exceed 2 percent of the total weight of specialty metals in the item.

(2) This subsection does not apply to high performance magnets.

(j) STREAMLINED COMPLIANCE FOR COMMERCIAL DERIVATIVE MILITARY ARTICLES.—(1) Subsection (a) shall not apply to an item acquired under a prime contract if the Secretary of Defense or the Secretary of a military department determines that—

(A) the item is a commercial derivative military article; and

(B) the contractor certifies that the contractor and its subcontractors have entered into a contractual agreement, or agreements, to purchase an amount of domestically melted specialty metal in the required form, for use during the period of contract performance in the production of the commercial derivative military article and the related commercial article, that is not less than the greater of—

(i) an amount equivalent to 120 percent of the amount of specialty metal that is required to carry out the production of the commercial derivative military article (including the work performed under each subcontract); or

(ii) an amount equivalent to 50 percent of the amount of specialty metal that is purchased by the contractor and its subcontractors for use during such period in the production of the commercial derivative military article and the related commercial article.

(2) For the purposes of this subsection, the amount of specialty metal that is required to carry out the production of the commercial derivative military article includes specialty metal contained in any item, including commercially available off-the-shelf items, incorporated into such commercial derivative military article.

(k) NATIONAL SECURITY WAIVER.—(1) Notwithstanding subsection (a), the Secretary of Defense or the Secretary of the military department concerned may accept the delivery of an end item containing noncompliant materials if the Secretary determines in writing that acceptance of such end item is necessary to the national security interests of the United States.

(2) A written determination under paragraph (1)—

(A) may be delegated—

(i) to the senior acquisition executive of the military department concerned for a waiver for one or more acquisition programs within the such military department; and

(ii) to the Deputy Secretary of Defense or the Under Secretary of Defense for Acquisition and Sustainment for a waiver applicable to more than one military department;

(B) shall specify the quantity of end items to which the waiver applies and the time period over which the waiver applies; and

(C) shall be provided to the congressional defense committees prior to making such a determination (except that in the case of an urgent national security requirement, such certification may be provided to the defense committees up to 7 days after it is made).

(3)(A) In any case in which the Secretary makes a determination under paragraph (1), the Secretary shall determine whether or not the noncompliance was knowing and willful.

(B) If the Secretary determines that the noncompliance was not knowing or willful, the Secretary shall ensure that the contractor or subcontractor responsible for the noncompliance develops and implements an effective plan to ensure future compliance.

(C) If the Secretary determines that the noncompliance was knowing or willful, the Secretary shall—

(i) require the development and implementation of a plan to ensure future compliance; and

(ii) consider suspending or debaring the contractor or subcontractor until such time as the contractor or subcontractor has effectively addressed the issues that lead to such noncompliance.

(l) SPECIALTY METAL DEFINED.—In this section, the term “specialty metal” means any of the following:

(1) Steel—

(A) with a maximum alloy content exceeding one or more of the following limits: manganese, 1.65 percent; silicon, 0.60 percent; or copper, 0.60 percent; or

(B) containing more than 0.25 percent of any of the following elements: aluminum, chromium, cobalt, columbium, molybdenum, nickel, titanium, tungsten, or vanadium.

(2) Metal alloys consisting of nickel, iron-nickel, and cobalt base alloys containing a total of other alloying metals (except iron) in excess of 10 percent.

(3) Titanium and titanium alloys.

(4) Zirconium and zirconium base alloys.

(m) ADDITIONAL DEFINITIONS.—In this section:

(1) The term “United States” includes possessions of the United States.

(2) The term “component” has the meaning provided in section 105 of title 41.

(3) The term “acquisition” has the meaning provided in section 131 of title 41.

(4) The term “required form” shall not apply to end items or to their components at any tier. The term “required form” means in the form of mill product, such as bar, billet, wire, slab, plate or sheet, and in the grade appropriate for the production of—

(A) a finished end item delivered to the Department of Defense; or

(B) a finished component assembled into an end item delivered to the Department of Defense.

(5) The term “commercially available off-the-shelf”, has the meaning provided in section 104 of title 41.

(6) The term “assemblies” means items forming a portion of a system or subsystem that can be provisioned and replaced as an entity and which incorporates multiple, replaceable parts.

(7) The term “commercial derivative military article” means an item procured by the Department of Defense that is or will be produced using the same production facilities, a common supply chain, and the same or similar production processes that are used for the production of articles predominantly used by the general public or by nongovernmental entities for purposes other than governmental purposes.

(8) The term “subsystem” means a functional grouping of items that combine to perform a major function within an end item, such as electrical power, attitude control, and propulsion.

(9) The term “end item” means the final production product when assembled or completed, and ready for issue, delivery, or deployment.

(10) The term “subcontract” includes a subcontract at any tier.

(11) The term “qualifying foreign government” means the government of a country with which the United States has in effect a reciprocal defense procurement agreement or memorandum of understanding entered into pursuant to section 4851 of this title.

(Added Pub. L. 109–364, div. A, title VIII, § 842(a)(1), Oct. 17, 2006, 120 Stat. 2335, § 2533b; amended Pub. L. 110–181, div. A, title VIII, § 804(a)–(f), Jan. 28, 2008, 122 Stat. 208–211; Pub. L. 111–350, § 5(b)(39), Jan. 4, 2011, 124 Stat. 3845; Pub. L. 111–383, div. A, title X, § 1075(f)(2), Jan. 7, 2011, 124 Stat. 4376; Pub. L. 113–291, div. A, title X, § 1071(a)(10), Dec. 19, 2014, 128 Stat. 3505; Pub. L. 115–232, div. A, title VIII, § 837(c), Aug. 13, 2018, 132 Stat. 1875; Pub. L. 116–92, div. A, title IX, § 902(77), Dec. 20, 2019, 133 Stat. 1552; renumbered § 4863 and amended Pub. L. 116–283, div. A, title XVIII, §§ 1870(c)(2), 1883(b)(2), Jan. 1, 2021, 134 Stat. 4285, 4294; Pub. L. 117–81, div. A, title XVII, § 1701(d)(18), Dec. 27, 2021, 135 Stat. 2138; Pub. L. 117–263, div. A, title XIV, § 1411(d)(2)(A), Dec. 23, 2022, 136 Stat. 2871; Pub. L. 118–31, div. A, title VIII, § 833(a), Dec. 22, 2023, 137 Stat. 337; Pub. L. 118–159, div. A, title VIII, §§ 844(a), 845, Dec. 23, 2024, 138 Stat. 1991, 1992.)

AMENDMENT OF SECTION

Pub. L. 118–31, div. A, title VIII, § 833, Dec. 22, 2023, 137 Stat. 337, provided that, effective 24 months after Dec. 22, 2023, this section is amended as follows:

(1) in subsection (d), by striking “; and” in paragraph (1)(B) and inserting a semicolon, by striking the period at the end of paragraph (2) and inserting “; and”, and by adding at the end the following new paragraph:

“(3) any specialty metal procured as mill product or incorporated into a component other than an end item pursuant to this subsection shall be melted or produced—

“(A) in the United States;

“(B) in the country from which the mill product or component is procured; or

“(C) in another country covered under subparagraph (1)(B).”; and

(2) by redesignating subsections (l) and (m) as subsections (m) and (n), respectively, and by inserting after subsection (k) the following new subsection:

(l) Provenance of Aerospace-grade Metals.—(1) The Secretary of Defense shall require that, for any system or component for which the provenance of materials must be tracked to comply with safety regulations concerning flight, the supplier of such system or component shall inform the government if any of the materials were known to be manufactured or processed in—

(A) China;

(B) Iran;

(C) North Korea; or

(D) Russia.

(2) Not later than March 31 of each year, the Secretary of Defense shall submit to the congressional defense committees a report indicating how much specialty metal has been acquired and placed into systems of the Department of Defense from the countries described in paragraph (1).

See 2023 Amendment notes below.

Editorial Notes

AMENDMENTS

2024—Subsec. (b)(1). Pub. L. 118–159, § 844(a)(1)(A), inserted “at a reasonable price” after “when needed”.

Subsec. (b)(3). Pub. L. 118–159, § 844(a)(1)(B), added par. (3).

Subsec. (c)(1). Pub. L. 118–159, § 844(a)(2), struck out “in support of combat operations or” after “United States” and inserted “or for use outside of the United States” after “contingency operations”.

Subsec. (d)(1)(B). Pub. L. 118–159, § 845(1), inserted “qualifying” before “foreign”.

Subsec. (k)(1). Pub. L. 118–159, § 844(a)(3)(A), inserted “or the Secretary of the military department concerned” after “Secretary of Defense”.

Subsec. (k)(2)(A). Pub. L. 118–159, § 844(a)(3)(B), amended subpar. (A) generally. Prior to amendment, subpar. (A) read as follows: “may not be delegated below the level of the Deputy Secretary of Defense or the Under Secretary of Defense for Acquisition and Sustainment;”.

Subsec. (m)(11). Pub. L. 118–159, § 845(2), added par. (11).

2023—Subsec. (d)(3). Pub. L. 118–31, § 833(a)(1), added par. (3).

Subsecs. (l) to (n). Pub. L. 118–31, § 833(a)(2), (3), added subsec. (l) and redesignated former subsecs. (l) and (m) as (m) and (n), respectively.

2022—Subsec. (g). Pub. L. 117–263 substituted “Strategic and Critical Materials Board of Directors pursuant to section 10 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h–1)” for “Strategic Materials Protection Board pursuant to section 187 of this title”.

2021—Pub. L. 116–283, § 1870(c)(2), renumbered section 2533b of this title as this section.

Subsec. (c)(2). Pub. L. 117–81, § 1701(d)(18)(A), which directed the substitution of “section 3204(a)(2)” for “section 2304(c)(2)”, could not be executed because of the intervening amendment by Pub. L. 116–283, § 1883(b)(2). See note below.

Pub. L. 116–283, § 1883(b)(2), substituted “section 3204(a)(2)” for “section 2304(c)(2)”.

Subsec. (f). Pub. L. 117–81, § 1701(d)(18)(B), which directed the substitution of “section 3205” for “section 2304(g)”, could not be executed because of the intervening amendment by Pub. L. 116–283, § 1883(b)(2). See note below.

Pub. L. 116-283, §1883(b)(2), substituted “section 3205” for “section 2304(g)”.

2019—Subsec. (k)(2)(A). Pub. L. 116-92 substituted “Under Secretary of Defense for Acquisition and Sustainment” for “Under Secretary of Defense for Acquisition, Technology, and Logistics”.

2018—Subsec. (h). Pub. L. 115-232, §837(c)(1), substituted “Products” for “Items” in heading.

Subsec. (h)(1), (3). Pub. L. 115-232, §837(c)(2), substituted “commercial products” for “commercial items”.

2014—Subsec. (h)(1). Pub. L. 113-291, §1071(a)(10)(A)(i), substituted “sections 1906 and 1907 of title 41” for “sections 34 and 35 of the Office of Federal Procurement Policy Act (41 U.S.C. 430 and 431)”.

Subsec. (h)(2). Pub. L. 113-291, §1071(a)(10)(A)(ii), substituted “section 104 of title 41” for “section 35(c) of the Office of Federal Procurement Policy Act (41 U.S.C. 431(c))” in introductory provisions.

Subsec. (m)(2). Pub. L. 113-291, §1071(a)(10)(B)(i), substituted “section 105 of title 41” for “section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403)”.

Subsec. (m)(3). Pub. L. 113-291, §1071(a)(10)(B)(ii), substituted “section 131 of title 41” for “section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403)”.

Subsec. (m)(5). Pub. L. 113-291, §1071(a)(10)(B)(iii), substituted “section 104 of title 41” for “section 35(c) of the Office of Federal Procurement Policy Act (41 U.S.C. 431(c))”.

2011—Subsec. (a)(2). Pub. L. 111-383, §1075(f)(2)(A), made technical amendment to directory language of Pub. L. 110-181, §804(a)(3). See 2008 Amendment note below.

Subsec. (h). Pub. L. 111-350, §5(b)(39)(A), which directed substitution of “section 1906 of title 41” for “section 34 of the Office of Federal Procurement Policy Act (41 U.S.C. 430)”, could not be executed because the words “section 34 of the Office of Federal Procurement Policy Act (41 U.S.C. 430)” did not appear in text.

Subsec. (j). Pub. L. 111-350, §5(b)(39)(B), which directed substitution of “section 105 of title 41” for “section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403)” in subsec. (j), could not be executed because the words “section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403)” did not appear in subsec. (j) after the amendment by Pub. L. 110-181, §804(d).

Subsec. (m)(3) to (10). Pub. L. 111-383, §1075(f)(2)(B), made technical amendment to directory language of Pub. L. 110-181, §804(e). See 2008 Amendment note below.

2008—Subsec. (a). Pub. L. 110-181, §804(a)(1), substituted “Except as provided in subsections (b) through (m), the acquisition by the Department of Defense of the following items is prohibited:” for “Except as provided in subsections (b) through (j), funds appropriated or otherwise available to the Department of Defense may not be used for procurement of—” in introductory provisions.

Subsec. (a)(1). Pub. L. 110-181, §804(a)(2), substituted “The following” for “the following” and substituted period for “; or” at end.

Subsec. (a)(2). Pub. L. 110-181, §804(a)(3), as amended by Pub. L. 111-383, §1075(f)(2)(A), substituted “A specialty” for “a specialty”.

Subsec. (c). Pub. L. 110-181, §804(f)(1), substituted “Acquisitions” for “Procurements” in heading and pars. (1) and (2).

Subsec. (d). Pub. L. 110-181, §804(f)(2), substituted “acquisition” for “procurement” in introductory provisions and par. (1).

Subsec. (f). Pub. L. 110-181, §804(f)(3), substituted “acquisitions” for “procurements”.

Subsec. (g). Pub. L. 110-181, §804(c), (f)(3), substituted “acquisitions” for “procurements” and “electronic components, unless the Secretary of Defense, upon the recommendation of the Strategic Materials Protection Board pursuant to section 187 of this title, determines

that the domestic availability of a particular electronic component is critical to national security.” for “commercially available electronic components whose specialty metal content is de minimis in value compared to the overall value of the lowest level electronic component produced that contains such specialty metal.”

Subsec. (h). Pub. L. 110-181, §804(b), amended heading and text generally. Prior to amendment, text read as follows: “This section applies to procurements of commercial items notwithstanding section 34 of the Office of Federal Procurement Policy Act (41 U.S.C. 430).”

Subsecs. (i) to (m). Pub. L. 110-181, §804(d), added subsecs. (i) to (k) and redesignated former subsecs. (i) and (j) as (l) and (m), respectively.

Subsec. (m)(3) to (10). Pub. L. 110-181, §804(e), as amended by Pub. L. 111-383, §1075(f)(2)(B), added pars. (3) to (10).

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2023 AMENDMENT

Pub. L. 118-31, div. A, title VIII, §833(b), Dec. 22, 2023, 137 Stat. 337, provided that: “Subsection (a) [amending this section] shall take effect on the date that is 24 months after the date of the enactment of this Act [Dec. 22, 2023].”

EFFECTIVE DATE OF 2021 AMENDMENT

Amendment by Pub. L. 117-81 to take effect immediately after the amendments made by title XVIII of Pub. L. 116-283 have taken effect, see section 1701(a)(3) of Pub. L. 117-81, set out in a note preceding section 3001 of this title and note below.

Amendment by Pub. L. 116-283 effective Jan. 1, 2022, with additional provisions for delayed implementation and applicability of existing law, see section 1801(d) of Pub. L. 116-283, set out as a note preceding section 3001 of this title.

EFFECTIVE DATE OF 2011 AMENDMENT

Pub. L. 111-383, div. A, title X, §1075(f)(2), Jan. 7, 2011, 124 Stat. 4376, provided that the amendment made by section 1075(f)(2) is effective as of January 28, 2008, and as if included in Public Law 110-181 as enacted.

EFFECTIVE DATE

Pub. L. 109-364, div. A, title VIII, §842(a)(4)(A), Oct. 17, 2006, 120 Stat. 2337, provided that: “Section 2533b of title 10, United States Code [now 10 U.S.C. 4863], as added by paragraph (1), shall apply with respect to contracts entered into after the date occurring 30 days after the date of the enactment of this Act [Oct. 17, 2006].”

REGULATIONS

Pub. L. 110-181, div. A, title VIII, §804(g), Jan. 28, 2008, 122 Stat. 211, provided that: “Not later than 120 days after the date of the enactment of this Act [Jan. 28, 2008], the Secretary of Defense shall prescribe regulations on the implementation of this section [amending this section and enacting provisions formerly set out as a note under section 2533b] and the amendments made by this section, including specific guidance on how thresholds established in subsections (h)(3), (i) and (j) of section 2533b of title 10, United States Code [now 10 U.S.C. 4863], as amended by this section, should be implemented.”

REQUIREMENTS RELATING TO WAIVERS OF CERTAIN DOMESTIC SOURCE LIMITATIONS RELATING TO SPECIALTY METALS

Pub. L. 110-181, div. A, title VIII, §884, Jan. 28, 2008, 122 Stat. 264, provided that:

“(a) NOTICE REQUIREMENT.—At least 30 days prior to making a domestic nonavailability determination pursuant to section 2533b(b) of title 10, United States Code [now 10 U.S.C. 4863(b)], that would apply to more than

one contract of the Department of Defense, the Secretary of Defense shall, to the maximum extent practicable and in a manner consistent with the protection of national security information and confidential business information—

“(1) publish a notice on the website maintained by the General Services Administration known as FedBizOpps.gov (or any successor site) of the Secretary’s intent to make the domestic nonavailability determination; and

“(2) solicit information relevant to such notice from interested parties, including producers of specialty metal mill products.

“(b) DETERMINATION.—(1) The Secretary shall take into consideration all information submitted pursuant to subsection (a) in making a domestic nonavailability determination pursuant to section 2533b(b) of title 10, United States Code [now 10 U.S.C. 4863(b)], that would apply to more than one contract of the Department of Defense, and may also consider other relevant information that cannot be made part of the public record consistent with the protection of national security information and confidential business information.

“(2) The Secretary shall ensure that any such determination and the rationale for such determination is made publicly available to the maximum extent consistent with the protection of national security information and confidential business information.”

§ 4864. Miscellaneous limitations on the procurement of goods other than United States goods

(a) LIMITATION ON CERTAIN PROCUREMENTS.—The Secretary of Defense may procure any of the following items only if the manufacturer of the item satisfies the requirements of subsection (b):

(1) BUSES.—Multipassenger motor vehicles (buses).

(2) COMPONENTS FOR NAVAL VESSELS.—The following components of vessels, to the extent they are unique to marine applications:

- (A) Gyrocompasses.
- (B) Electronic navigation chart systems.
- (C) Steering controls.
- (D) Propulsion and machinery control systems.
- (E) Totally enclosed lifeboats.
- (F) Welded shipboard anchor and mooring chain.

(3) COMPONENTS FOR AUXILIARY SHIPS.—Subject to subsection (k), large medium-speed diesel engines.

(4) COMPONENTS FOR T-AO 205 AND T-ARC CLASS VESSELS.—The following components of T-AO 205 and T-ARC class vessels:

- (A) Auxiliary equipment, including pumps, for all shipboard services.
- (B) Propulsion system components, including engines, reduction gears, and propellers.
- (C) Shipboard cranes.
- (D) Spreaders for shipboard cranes.

(5) STAR TRACKER.—A star tracker used in a satellite weighing more than 400 pounds whose principal purpose is to support the national security, defense, or intelligence needs of the United States Government.

(b) MANUFACTURER IN THE NATIONAL TECHNOLOGY AND INDUSTRIAL BASE.—(1) Except as provided in paragraph (2), a manufacturer meets the requirements of this subsection if the manufacturer is part of the national technology and industrial base.

(2) A manufacturer of welded shipboard anchor and mooring chain for naval vessels meets the requirements of this subsection if the manufacturer is part of the national technology and industrial base.

(c) APPLICABILITY TO CERTAIN ITEMS.—Subsection (a) does not apply to a procurement of spare or repair parts needed to support components for naval vessels produced or manufactured outside the United States.

(d) WAIVER AUTHORITY.—The Secretary of Defense may waive the limitation in subsection (a) with respect to the procurement of an item listed in that subsection if the Secretary determines that any of the following apply:

(1) Application of the limitation would cause unreasonable costs or delays to be incurred.

(2) United States producers of the item would not be jeopardized by competition from a foreign country, and 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.

(3) Application of the limitation would impede cooperative programs entered into between the Department of Defense and a foreign country, or would impede the reciprocal procurement of defense items under a memorandum of understanding providing for reciprocal procurement of defense items that is entered into under section 4851 of this title, and 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.

(4) Satisfactory quality items manufactured by an entity that is part of the national technology and industrial base (as defined in section 4801(1) of this title) are not available.

(5) Application of the limitation would result in the existence of only one source for the item that is an entity that is part of the national technology and industrial base (as defined in section 4801(1) of this title).

(6) The procurement is for an amount less than the simplified acquisition threshold and simplified purchase procedures are being used.

(7) Application of the limitation is not in the national security interests of the United States.

(8) Application of the limitation would adversely affect a United States company.

(e) SONOBUOYS.—

(1) LIMITATION.—The Secretary of Defense may not procure a sonobuoy manufactured in a foreign country if United States firms that manufacture sonobuoys are not permitted to compete on an equal basis with foreign manufacturing firms for the sale of sonobuoys in that foreign country.

(2) WAIVER AUTHORITY.—The Secretary may waive the limitation in paragraph (1) with respect to a particular procurement of sonobuoys if the Secretary determines that such procurement is in the national security interests of the United States.

(3) DEFINITION.—In this subsection, the term “United States firm” has the meaning given such term in section 4852(d)(1) of this title.