



ACQUISITION,  
TECHNOLOGY  
AND LOGISTICS

THE UNDER SECRETARY OF DEFENSE  
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FEB 07 2007

MEMORANDUM FOR COMMANDER, U.S. SPECIAL OPERATIONS COMMAND  
(ATTN: ACQUISITION EXECUTIVE)  
SERVICE ACQUISITION EXECUTIVES  
DIRECTORS OF THE DEFENSE AGENCIES

Subject: Class Determination of Domestic Non-Availability (DNAD) for Populated  
Circuit Card Assemblies for Contracts Entered into Prior to November 16, 2006.

The DNAD that I signed on January 4, 2007, (attached) concerning populated circuit card assemblies was based on the new 10 U.S.C. §2533b. The rationale of that DNAD is also applicable to existing contracts that are subject to the old specialty metal restriction under 10 U.S.C. §2533a. For the same reasons detailed in that DNAD, I hereby determine that satisfactory quality and sufficient quantity of compliant specialty metals in the form of lids and leads in populated circuit card assemblies cannot be or could not have been procured "as and when needed at United States market prices." Therefore, the restriction in 10 U.S.C. §2533a, and the clause that implemented it, do not apply to populated circuit card assemblies (including those contained in end items) that were, or will be, procured under contracts entered into prior to November 16, 2006, notwithstanding the country where the specialty metals contained in such items were melted or produced.



Kenneth J. Krieg

Attachment:  
As stated



## **CLASS DETERMINATION OF DOMESTIC NON-AVAILABILITY (DNAD) FOR POPULATED CIRCUIT CARD ASSEMBLIES**

After considering the recommendation of the Defense Contract Management Agency (DCMA), in accordance with the specialty metals restrictions in title 10 of the United States Code<sup>1</sup>, I make the following findings and determination concerning the domestic non-availability of special metals in circuit card assemblies populated with commercial components (*i.e.*, populated circuit card assemblies).

### **Findings**

Populated circuit card assemblies are used in almost every piece of military hardware and electronic items. They are used by all Services, and the need for these items is increasing over time.

Most populated circuit card assemblies contain microcircuits or other commercial electronic parts that contain specialty metals. The lids and leads on these microcircuits are generally made of either ASTM F15 (Kovar<sup>TM</sup>) or Alloy 42 specialty metals. DCMA conducted an in-depth study of these items. They are predominantly commercial off-the-shelf (COTS) items. Globalization has pushed most manufacturing for the electronics industry to the Pacific Rim. The U.S. Government makes up less than 2 percent of the semiconductor/microcircuit customer base and, therefore, does not have the buying power to require that the specialty metals contained in these items be produced domestically.

Most of the populated circuit card assemblies contain specialty metals that either did not or do not comply with the specialty metals restrictions in title 10 of the United States Code. In many other cases, it is extremely difficult to determine whether they comply. Unless a waiver is approved, the Department of Defense will not be able to acquire items and systems containing populated circuit card assemblies.

The value of the specialty metals contained in most populated circuit card assemblies is significantly less than 10 percent of the value of the circuit card assembly. Thus, pursuant to 10 U.S.C. 2533b(g), most populated circuit card assemblies are not covered because the specialty metal content is de minimis in value compared to the overall value of the circuit card assembly (*i.e.*, the lowest level electronic component produced that contains specialty metal).

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<sup>1</sup> The specialty metals restriction is subsection (b) of 10 U.S.C. 2533b. Prior to November 16, 2006, a similar specialty metals restriction was in subsection (c) of 10 U.S.C. 2533a (a.k.a. "the Berry Amendment").

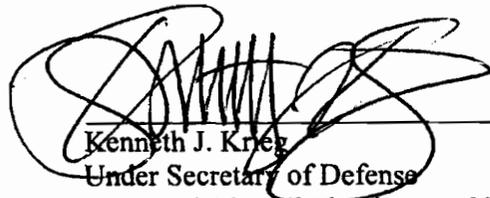
**Determination**

For those populated circuit card assemblies that are not excepted from coverage by 10 U.S.C. 2533b(g), I hereby determine that satisfactory quality and sufficient quantity of compliant specialty metals in the form of lids and leads in populated circuit card assemblies cannot be procured as and when needed.

As a result, contracting officers may procure end items, and components thereof, containing populated circuit card assemblies notwithstanding the country where the specialty metals contained in such items were melted or produced.

This determination will be effective until DCMA notifies me that populated circuit card assemblies that comply with 10 U.S.C. 2533b are available.

Date: 1/4/07

  
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Kenneth J. Krieg  
Under Secretary of Defense  
for Acquisition, Technology and Logistics