

## **Fasteners and How to Comply with the Specialty Metals Clause in DFARS 252.225.7008, 7009, 7010**

The Defense Authorization Act for FY 2008 provide several ways in which to provide fasteners that are DFARS compliant with respect to the Specialty Metals clause found at DFARS 252.225.7008, 252.225.7009, and 252.225.7010. These clauses are in effect for fasteners supplied for contracts for the following major Defense programs: (1) Aircraft, (2) Missile or space systems, (3) Ships (4) Tank or automotive items (5) Weapon systems and (6) Ammunition.

As always, when a supplier is asked to provide fasteners that will be made for and sold only to the military for one of these 6 programs, and these fasteners have a unique quality that distinguishes them from commercial fasteners, they must be made from 100% U.S. or qualifying country specialty metals. (For a list of qualifying countries, see DFARS 252.225.7012.) If a supplier is asked to provide commercial fasteners that are compliant with the specialty metals clause, compliant fasteners can be provided if they were manufactured using 100% domestic or qualifying country specialty metals.

On July 29, 2009, a Final Rule implementing the Defense Authorization FY 2008 changes was issued by DoD and provides the following compliance options specific to fasteners:

*Note: No other compliance methods listed in the specialty metal clauses are applicable to fasteners.*

- 1) Commercially Available Off-the-Shelf (COTS)<sup>1</sup> fasteners installed in COTS end items are compliant;
- 2) Commercial or COTS fasteners provided by a fastener manufacturer for one of the 6 programs may be considered compliant if the manufacturer uses a 50% “market-basket” approach. The market-basket exception for fasteners allows for COTS or commercial fasteners to be considered compliant if the fastener manufacturer has self-certified that it will purchase, during the relevant calendar year, an amount of domestically melted specialty metal that is not less than 50% of the total amount of specialty metal needed to carry out production of all fasteners for all customers. Fastener manufacturers who choose to use this “market-basket” approach will need to provide such self-certifications to their customers upon request. Self-certifications are done on an annual basis. For those fastener manufacturers who elect to self-certify, and for those distributors that have gathered certifications from their fastener manufacturers, you may request that your name be added to a list of companies being maintained by the Industrial Fasteners Institute (IFI). See [http://www.industrial-fasteners.org/info/specialty\\_metal\\_certifications.asp](http://www.industrial-fasteners.org/info/specialty_metal_certifications.asp)

*Note: If a commercial/COTS fastener is changed in any way to make it unique for military use in one of the 6 programs, then it is no longer considered commercial/COTS and is subject to the 100% domestic or qualifying country specialty metal requirement.*

- 3) Fasteners previously considered compliant under contracts issued prior to July 26, 2008, will still be compliant.
- 4) Non-compliant fasteners produced/manufactured/assembled in the U.S. PRIOR to OCTOBER 17, 2006 may be considered compliant when the end item is delivered to the DoD BEFORE SEPTEMBER 30, 2010 provided these fasteners are sold to the following OEMS (or their suppliers) with approved One Time Waiver compliance plans filed with DOD: Raytheon, NG Electronic Systems, GE Aviation, The Boeing Company, BAE Systems Tactical Vehicle Systems, Sikorsky Aircraft Corp., Rockwell Collins, NavCom Defense Electronic.

If you are supplying commercial fasteners directly to the government, e.g., the Defense Logistics Agency (DLA) or the Defense Supply Center-Philadelphia (DSCP) under a contract that is less than \$100,000, there is no application of the specialty metals clause.

**For DoD rules/regulations and documents pertaining to the Specialty Metals rules, go to:**  
[http://www.acq.osd.mil/dpap/cpic/ic/restrictions\\_on\\_specialty\\_metals\\_10\\_usc\\_2533b.html](http://www.acq.osd.mil/dpap/cpic/ic/restrictions_on_specialty_metals_10_usc_2533b.html)

<sup>1</sup> (4) *Commercially available off-the-shelf item*—

(i) Means any item of supply that is—

(A) A commercial item (as defined in paragraph (1) of the definition of “commercial item” in section 2.101 of the Federal Acquisition Regulation);

(B) Sold in substantial quantities in the commercial marketplace; and

(C) Offered to the Government, under this contract or a subcontract at any tier, without modification, in the same form in which it is sold in the commercial marketplace; and

(ii) Does not include bulk cargo, as defined in section 3 of the Shipping Act of 1984 (46 U.S.C. App 1702), such as agricultural products and petroleum products.

(DFARS 252.225.7009)