



KYOCERA AVX Components Corporation

1 AVX Boulevard
Fountain Inn, SC 29644 USA
Phone: +1 (864) 967-2150
Website: <https://www.kyocera-avx.com>

KAVX STATEMENT CONCERNING CONTRACTOR COUNTERFEIT ELECTRONIC PART DETECTION AND AVOIDANCE SYSTEM FOR MILITARY PARTS

Introduction

KAVX is aware of the promulgation of the rule reflected in the clause found at 48 CFR 252.246-7007, Contractor Counterfeit Electronic Part Detection and Avoidance System (79 FR 26092 (May 6, 2014)). KAVX is also aware that such provision imposes a "flow-down" obligation on many of its direct or indirect customers who are direct Contractors to the United States Government. KAVX is issuing this statement in order to clarify KAVX's views on the application of these requirements and to assist such direct and indirect customers for military-grade parts in documenting their own due diligence and compliance with these requirements.

Statement

An electronic part is defined in 48 CFR 202.101 and DFARs 252.246-7007 as follows:

Electronic part means an integrated circuit, a discrete electronic component (including, but not limited to, a transistor, capacitor, resistor, or diode), or a circuit assembly (section 818(f)(2) of Pub. L. 112-81). The term "electronic part" includes any embedded software or firmware.

The regulatory requirements, therefore, apply to entities that purchase such parts and establish requirements for such procurement systems[48 CFR 252.246-7007 (b), (c) and 48 CFR 246.870-2 (a)]. Accordingly, if an entity does not purchase electronic parts that become part of the supply chain to the United States Government, these regulatory requirements are inapplicable to that purchaser.

All military-grade parts sold by KAVX that are part of the supply chain to the United States Government are manufactured by KAVX directly from raw materials. Thus, KAVX is not a "purchaser" of electronic parts and its procurement system is not subject to these regulatory requirements with respect to such parts. Instead, KAVX is an "original manufacturer" within the meaning of the regulations. See 48 CFR 246.870-2(b)(5).

Accordingly, although KAVX acknowledges the "flow-down" requirements of this new provision, because KAVX is an "original manufacturer" for military-grade parts, this regulation and clause found at 48 CFR 252.246-7007 does not impose any additional obligations on KAVX. Instead, downstream direct and indirect customers acquiring KAVX parts must ensure that the parts they buy as KAVX parts are authentic, unmodified parts if they are not purchased directly

from KAVX, and KAVX is always willing to assist in that process either through direct sales or identification of authorized distributors.

Limitation

Please note that this statement does not apply to non-military, commercial grade parts. Accordingly, purchasers of such parts may not rely on this statement.

Additional Information

For more information concerning this statement, please contact Evan Slavitt at Evan.Slavitt@kyocera-avx.com or 864-228-3417.

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