



Q-Tech Corporation

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POLICY STATEMENT

2008 Changes to DFARS 252.225-7014, Preference for Specialty Metals and Alternate 1

Q-Tech Corporation makes use of Kovar and Stainless Steel in several of its products. These metals were subject to DFARS 252.225-7014 (Berry Amendment) restrictions prior to the enactment of Alternate 1 (Alt 1) on November 16, 2006.

On January 29, 2008, Section 804 of the FY 2008 National Defense Authorization Act, "Clarification of the Protection of Strategic Materials Critical to National Security" became law and made legislative changes governing the application of domestic source restrictions related to Specialty Metals.

"The newly enacted sections 804 and 884 of the FY2008 National Defense Authorization Act have changed the specialty metals restriction in 10 U.S.C. 2533b." "This Class deviation supersedes previous Class Deviations 2006-O0004 and 2007-O0011."

Q-Tech's products are hybrid oscillators and fall under the CAP/DNAD classification of Radio Frequency Devices and Class Deviation 2008-O0002. These products are also classified as electronic components and as such, under the Information Memorandum No. 08-0143, Class Deviation 2008-O0002-Implementation of New specialty Metals Restriction in FY08 National Defense Authorization Act (INFORMATION) of January 31, 2008 are considered exempt.

"The following changes have been made to the statute and are effective 29 January 2008: 1. The electronic component exception has been broadened to cover all electronic components. It is no longer limited to commercially available electronic components, and it applies regardless of the amount of specialty metal contained in the electronic component." Therefore, all of Q-Tech Corporation's products fall under this noted exception to this current enactment of DFARS 252.225-7014.

Sincerely,

Ron Stephens
Director of Sales and Marketing