

February 3, 2006

Re: DFAR 252.225-7014 (Alt. 1) Preference for Domestic Specialty Metals

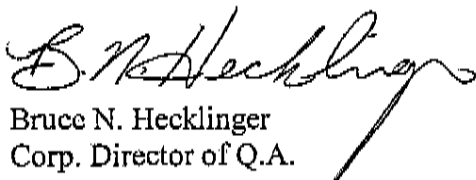
Dear Valued Customer:

Yarde Metals is aware of DFAR Clause 252.225-7014. This clause applies to articles that contain specialty metals. Specialty metals are defined in the clause as certain steels, titaniums, and zirconium based alloys. Aluminum and most all other alloys are not included.

When Clause 252.225-7014 is called out Yarde Metals will make every effort to provide products, test reports, and information to assure compliance to the directive.

It is the customer's responsibility to ensure this clause is clearly called out during the quoting phase of the order process. This will allow us to be pro-active in ensuring compliance to the requirements of the preference for domestic specialty metals.

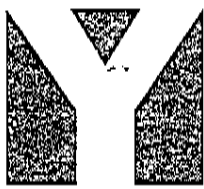
Sincerely,


Bruce N. Hecklinger
Corp. Director of Q.A.

Enclosure

Aluminum = Stainless = Carbon Steel = Brass

45 Newell Street Southington, CT 06489 Tel 860.406.6061 800.444.9494 Fax 860.406.6040 sales@yarde.com



yarde metals

For your reference only, some materials that are typical of use in our supply chain include but are not limited to the following:

TABLE 1				
THESE MATERIAL DESIGNATIONS ARE IDENTIFIED AS "SPECIALTY METALS" AS DEFINED BY DFARS 252.225-7014				
STEEL				
300M	4130	4140	4340 or E4340 or 4340M	4304 per AMS 6415
52100	6150	8620 or 8620H	8630	8740
9310	D2	D6AC	Nitralloy or Nitralloy 135	Steel per AN-S-9 or MIL-S-6050
Steel per FF-S-200	Vascomax All Grades			
STAINLESS STEEL				
A286	301 or 301.250H or 301-HH	302 or 302 COND B	303	304 or 304L
316 or 316L	321	347	410	416
420	430f or 430f (Se)	431	440 or 440C	13-8 or 13-8 Mo, or PH 13-8 Mo
15-5	17-4	17-7	Corrosion Resistant Steel per FF-S-86	CRES per ASTM 276 or ASTM A 276
Custom 455	Greek Ascology			
NICKEL BASE ALLOYS				
Hastelloy X	Inconel 625	Inconel 718	Inconel X	
COBALT BASE ALLOYS				
Elgiloy	Haynes 25	Haynes 188	L-605	
TITANIUM				
Ti 6Al-4V or Ti 6Al-4V STA	All Titanium Compositions			
IRON-NICKEL BASE				
Nitronic 60				
MAGNETIC ALLOYS				
Alnico 5.5/0.64	Alnico-V	Alnico-I	Alnico-II	Alnico-III
Alnico-IV	Alnico-8	Alnico-XII	Samarium Cobalt	

Note: Each supplier is responsible to check the Defense Federal Acquisition Regulation Supplement (DFARS) to assure compliance to current requirements. Language from the current DFARS is transcribed below for reference.

Aluminum ■ Stainless ■ Carbon Steel ■ Brass



DFARS 252.225-7014 PREFERENCE FOR DOMESTIC SPECIALTY METALS (JUN 2005)

(a) *Definitions.* As used in this clause—

(1) * “Qualifying country” means any country listed in subsection 225.872-1 of the Defense Federal Acquisition Regulation Supplement.

(2) “Specialty metals” means—

(i) 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;

(ii) 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;

(iii) Titanium and titanium alloys; or

(iv) Zirconium and zirconium base alloys.

(b) Any specialty metals incorporated in articles delivered under this contract shall be melted in the United States or its outlying areas.

(c) This clause does not apply to specialty metals—

(1) Melted in a qualifying country or incorporated in an article manufactured in a qualifying country; or

(2) Purchased by a subcontractor at any tier.

(End of clause)

ALTERNATE I (APR 2003)

As prescribed in 225.7002-3(b)(2), substitute the following paragraph (c) for paragraph (c) of the basic clause, and add the following paragraph (d) to the basic clause:

(c) This clause does not apply to specialty metals melted in a qualifying country or incorporated in an article manufactured in a qualifying country.

(d) The Contractor shall insert the substance of this clause, including this paragraph (d), in all subcontracts for items containing specialty metals.

* Note: See DFARS 225.872-1 for current qualifying countries.

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DFARS 225.872 Contracting with qualifying country sources. (December 9, 2005)

225.872-1 General.

(a) As a result of memoranda of understanding and other international agreements, DoD has determined it inconsistent with the public interest to apply restrictions of the Buy American Act or the Balance of Payments Program to the acquisition of qualifying country end products from the following qualifying countries:

Australia
Belgium
Canada
Denmark
Egypt
Federal Republic of Germany
France
Greece
Israel
Italy
Luxembourg
Netherlands
Norway
Portugal
Spain
Sweden
Switzerland
Turkey
United Kingdom of Great
Britain and Northern Ireland

(b) Individual acquisitions of qualifying country end products from the following qualifying countries may, on a purchase-by-purchase basis (see 225.872-4), be exempted from application of the Buy American Act and the Balance of Payments Program as inconsistent with the public interest:

Austria
Finland

(c) The determination in paragraph (a) of this subsection does not limit the authority of the Secretary concerned to restrict acquisitions to domestic sources or reject an otherwise acceptable offer from a qualifying country source when considered necessary for national defense reasons.