DOMESTIC NON-AVAILABILITY DETERMINATION (DNAD)
FOR DUAL USE NEEDLE ROLLER BEARINGS
IN FEDERAL STOCK CLASSES 3110, 3120 AND 3130,
NAICS code 332991
(excluding ball bearings, bushing sleeves, bearing sleeves, rod ends, mounted bearings, and bearings built-to-print for military specific applications)

After considering the recommendation of the Defense Contract Management Agency (DCMA), and in accordance with the specialty metals restriction in section 2533b of title 10 of the United States Code (and the former restriction at 10 U.S.C. 2533a), I make the following findings and determination concerning the domestic non-availability of specialty metals in needle roller bearings used in the manufacture and repair of Department of Defense (DoD) aircraft, ships, weapon systems, tank and automotive items, missile and space systems, and ammunition. Needle roller bearings are bearings that use small cylindrical rollers parallel to the axis of the shaft to reduce the friction of a rotating surface. This DNAD is applicable to all dual use (i.e., commercially available off-the-shelf items that are used for defense purposes) needle roller bearings and components thereof. This means parts in Federal Stock Classes (FSC) 3110, 3120 and 3130 under North American Industry Classification System (NAICS) code 332991. Excluded are ball bearings, bushing sleeves, bearing sleeves, rod ends, mounted bearings, and bearings built-to-print for military-specific applications. The findings below are based on an investigation and report forwarded by DCMA on April 4, 2007.

FINDINGS

Needle roller bearings are manufactured predominantly for commercial markets (automotive and industrial). The bearing manufacturers contacted during DCMA's market research estimate that 99% of all needle roller bearings are produced for commercial-off-the-shelf use and do not comply with the specialty metals restrictions.

Because DoD represents approximately 1% of needle roller bearing industry's sales, DoD's ability to influence the market place and obtain compliant materials for the dual use applications is extremely limited.

DCMA found that none of the U.S. needle bearing manufacturers contacted were willing to use compliant specialty metals, either because of the prohibitive cost of maintaining dual inventories and supply chains, or because of prohibitive cost associated with producing small quantities. Consequently, I find that specialty metals in the required form of needle roller bearings are not available in sufficient quantities or satisfactory quality to meet DoD's needs.

The DoD annual appropriation acts, most recently Section 8046 of the DoD Appropriations Act, 2007 (P.L. 109-676) require the procurement of domestically produced ball and roller bearings of domestic origin. Waiver is permitted on a case-by-case basis. This law is implemented at DFARS 225.7009. The applicability of this restriction is not affected by this determination.

DETERMINATION

I hereby determine that compliant specialty metals of satisfactory quality and sufficient quantity, in the required form of needle roller bearings, cannot be procured as and when needed. This determination applies to current and future contracts (including contracts that were entered into under the prior restriction in 10 U.S.C. 2533a and those that have been entered into under the new restriction in 10 U.S.C. 2533b).

As a result, contracting officers may procure end items, and components thereof, that contain needle roller bearings, notwithstanding the country where the specialty metals contained in such items were melted or produced.

This determination will remain in effect until DCMA notifies me that circumstances have changed and compliant specialty metal of satisfactory quality and sufficient quantity, in the required form (i.e., the form of needle roller bearings), can be procured as and when needed.

This determination will cease to be effective for commercially available off-the shelf needle roller bearings if an exemption is approved under Section 35 of the Office of Procurement Policy Act (41 U.S.C. §431).

DATE: 7 June 2007

Under Secretary of Defense
(Acquisition, Technology & Logistics)