

TechAmerica

WHERE THE FUTURE BEGINS

THE ASSOCIATION OF COMPANIES DRIVING INNOVATION WORLDWIDE

TechAmerica and Counterfeits

- FAR ANPR on Authentic IT Products in 2008
- Represent companies in the DIB, IT and COMM Sectors
- Hardware manufacturers, integrators and operators
- Commercial as well as Public Sector companies
- Our members are on the leading edge of detection and avoidance of counterfeits

DFARS Case 2012-D055

- Critical that we get this rule right
 - Almost every military mission relies on the success of electronic components our members make or integrate
 - DoD is no longer the leading innovator in this space nor does it represent a significant portion of the global tech market
 - Doing this incorrectly will result in an inability by DoD to afford to buy electronics as the mission requirements currently demand and will cut off DoD from technology innovations in the commercial space

DFARS Case 2012-D055 – Not there yet

- Definitions
 - Counterfeit/Suspect Counterfeit
 - Legally authorized source
 - Trusted Supplier
- Commercial Items
 - 41 USC 1907
- Obsolete Parts
 - Different challenges and risks
- Risk-based approach is absent/DHS

DFARS Case 2012-D055

- Contractor Business Systems
 - Should not be in the Purchasing System
 - What constitutes an acceptable system?
 - Who conducts the evaluation?
 - What is the process to qualify a system?
 - What do I do if I do not have CAS compliant systems?
 - Suspect counterfeit part - Business systems rule creates withholds and could lead to stopped performance
- Intertwined with 3 other regulatory proposals
 - Should be released concurrently instead of piecemeal

DFARS Case 2012-D055

- Reporting
 - GIDEP Implementation
- Small Business Impact
 - Excepted as Primes
 - Existential Risk
 - Mandatory Flowdowns
 - Rule grossly underestimates the impact to this community
- Acquisition Workforce
 - Ill-prepared to implement
 - What role are they expected to play – CO?

DFARS Case 2012-D055

- Cost recovery
- Establishes unlimited liability without sufficient means to manage that risk
- Propose that the DAR Council establish a means for meaningful dialogue with industry to address these and other issues before advancing the proposal
 - Department of Commerce Export Control Reform
 - NIST implementation of Cyber EO requirements for the development of a framework

Questions?

Trey Hodgkins
SVP of Global Public Sector
TechAmerica
thodgkins@techamerica.org
703-284-5310