



October 29, 2010

Mr. Julian E. Thrash  
OUSD(AT&L) DPAP/DARS  
Room 3B855  
3060 Defense Pentagon  
Washington DC 20301-0360

Subject: DFARS Case 2009-D018, Warranty Tracking of Serialized Items

Dear Mr. Thrash:

The Aerospace Industries Association (AIA) appreciates the opportunity to provide comments and recommendations on the proposed rule "Warranty Tracking of Serialized Items," published in the *Federal Register* on August 30, 2010. The proposed rule (DFARS Case 2009-D018) will amend the Defense Federal Acquisition Regulation Supplement (DFARS) to incorporate a policy memorandum issued by the Under Secretary of Defense (Acquisition, Technology and Logistics) on February 7, 2007 that directed establishment of requirements to track warranties for items subject to Item Unique Identification in the Item Unique Identification registry

Many years ago, Congress passed a law that required the procurement of a warranty with any DoD procured "Major" Weapon Systems. At that time, Congress had the foresight to forbid any new information system to track or implement the new Public Law. In addition, FAR 46.7 states that "the use of warranties is not mandatory." DFARS 246.704 specifies when a warranty may be included and only with approval of the Chief of the Contracting Office. The underlying reason for this policy is that the purchase of warranties had proven not to be cost effective.

While the UID requirement was not established for the purpose of tracking warranty items, its use as a warranty tracking methodology would certainly result in increased cost to contractors and the Government. The addition of warranted items to DFARS 211.274-2 will expand the criteria for selecting which items are to be uniquely identified. Today, that determination is based almost completely on the value of the item. Warranted items may or may not meet the value criterion established for determining what should be uniquely identified and marked. An application of UID to warranted items may cause a part to be covered by UID under a contract calling for warranty and not covered by UID on another contract without warranty.

Based on the above, AIA recommends that DoD not publish a final rule on warranty tracking of serialized items. AIA would welcome an opportunity to discuss our comments further

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with you. If you have any questions or need any additional information, please contact me at (703) 358-1045 or [richard.sylvester@aia-aerospace.org](mailto:richard.sylvester@aia-aerospace.org).

Sincerely,

A handwritten signature in cursive script that reads "Richard K. Sylvester". The signature is written in black ink and is positioned above the printed name and title.

Richard K. Sylvester  
Vice President, Acquisition Policy