

**NEDA Components Roundtable Meeting
October 26, 2006
Myrtle Beach, SC**

Attendees

Full Individual Name	Org Name	Full Individual Name	Org Name
Bob Whetson	Allied Electronics, Inc.	Mary Carter Berrios	KEMET Electronics Corp.
David Williams	Analog Devices, Inc.	Charles Amsden	Mouser Electronics
Vincent Ciccolo	Analog Devices, Inc.	Pete Shopp	Mouser Electronics
Donald E. Elario	Arrow Electronics, Inc.	Jeff Shafer	Newark InOne
Sharron Peek	Avnet	Ruben Luna	Ohmite Manufacturing
Debra Hanko	Bourns, Inc.	Andrew Piasecki	Ohmite Manufacturing
Michael Prince	Brothers Electronics	Leonard A. Metzger	Panasonic Industrial Co.
Howard Dellar	Electro Sonic, Inc.	Arnold Offner	Phoenix Contact
Jeff Morell	Emerson Network	Bruce Gerig	Texas Instruments
Michelle Graves	ETI Systems	Dan Wikander	Texas Instruments
Particia Smith	Future Electronics, Inc.	Rod Spear	TTI, Inc.
Jay Smith	Future Electronics, Inc.	Melanie Pizzey	TTI, Inc.
Page Sacky	IRC-Advanced Film	David Richardson	Vishay
Michael Griffith	KOA Speer		

MEETING NOTES COURTESY OF MELANIE PIZZEY OF TTI
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Barney introduced himself and set the expectations for the meeting. Each participant introduced themselves and stated their reasons for attending the meeting along with current issues they are experiencing related to the Environmental issues.

Melanie Pizzey, TTI, Inc.

Most large customers are converted and prepared. Still seeing many smaller customers which have not converted and need help and information. Interested in understanding the impact of China RoHS moving forward.

Len Metzger, Panasonic Industrial

Challenges with customers requesting material data. Some customers sending them in one part number at a time which creates a large email build up.

Howard Dellar, Electro Sonic, Inc.

Interested in finding out what the current issues are with RoHS and getting an update. Customers placing "RoHS only" on their purchase orders and assuming that they are covered.

Jim Masui, Murata Electronics, Inc.

Customers are requesting status by series instead of part numbers.

Page Sacky, TT Electronics

IRC Corpus made the transition, labeling is all set and seems to be going well. Page is interested in finding out more about China and the impact of China RoHS. IRC will offer both Pb and Pb-Free.

David Williams, Analog Devices

Unique part number for Pb parts. Aerospace still using Pb, but not sure about how much demand from other customers. Depleted as much inventory as possible prior to switching over to Pb-Free.

Jeff Shafer, Newark In One

Concerned with what is going to happen when the first lawsuit comes and then we are not prepared to provide documentation for compliance. Will distributors and or suppliers be implicated if customers are questioned by the EC?

Ruben Luna, Ohmite Manufacturing

Interested in learning more about NEDA and what this group does.

Andrew Piasecki, Ohmite Manufacturing

Interested in what others are doing so they can find the “standard” ways to label, etc. Interested in finding out more about NEDA. 65 – 70% Pb Free manufacturing. Will continue to offer both as long as there is a market for Pb.

Debra Hanko, Bourns, Inc.

Interested in the Compliance portion of the meeting. Not responsible for RoHS.

Patricia Smith, Future Electronics

Chairperson for Compliance Committee and will present to the group on Friday. New CHINA import restrictions that we all need to understand.

Mike Thomas, Arrow Electronics

Arrow provides status on every label and packing list to customers. This cuts down on requests for part status.

Don Elario, Arrow Electronics

Seeing the same things mentioned by other distributors. Concerned about China and the impact on us. Explained to the new members that this group has made efforts in the past to support and drive standards, but may not have always had success.

Pete Shopp, Mouser Electronics

Still have issues with lack of labeling standards for suppliers. Some components that were originally claimed as “compliant” by suppliers have now been discovered NOT to be compliant.

Dave Richardson, Vishay Electronics

Most of all Vishay series have compliant products they offer now. They have unique part numbers for each.

Jeff Norell, Emerson Network Power

Interested in finding out what is going on with RoHS. Manufacturing connectors and the “exemptions” are critical. Want to find out more about China as well.

Mary Carter Berrios, Kemet Electronics

Increasing frequency for 1752 requests. All products available in compliant versions with unique part numbers. Many customers are challenged with 1752. Mary will provide presentation later in the meeting. REACH and China RoHS will be presented by Mary as well. J STD 609 – labeling will be discussed. Some customers still want Pb, and Kemet started a line in SMT Ceramic ceramics to fill that need. OEM bears burden of due diligence. Most OEMs cannot provide information or traceability of which components they used in which products. This could create issues downstream for those OEMs if there are compliance issues.

Arnold Offner, Phoenix

Phoenix has a challenge because they produce components, but also “finished” products. Biggest challenge in China RoHS and the position it will put China in for product development which might encourage copying.

Michael Griffith, KOA Speer Electronics

KOA does not support IPC 1752. 3-4 customers requested it, and KOA will provide data in their own format. Might adopt when family data is released. Concerns with XRF machines and the limitations. White paper being written by XRF industry which will detail the issues with using this equipment. Watch out for Exemption 7 from contract manufacturers requesting that suppliers indicate specific status. Supplier should not do this because you don't know where the product will end up.

Bruce Gerig, Texas Instruments

Concerned with China, Korea and California. Making changes to current labels which will not work for the new directives.

Jay Smith, Future Electronics

Level of customer activity and intensity is less than expected. Information requests continue to come in consistently. Preparation for RoHS has helped avoid major issues. NEDA request from spreadsheet and white papers were “dead on”. Suppliers who followed our requests have reaped the benefits, and those who did not have created problems for themselves, distributors and customers.

Rod Spear, TTI, Inc.

Stressed the importance of suppliers providing information on “exemptions” because these products may not be approved for shipment into China. It is critical for us to know what is in those products so we know if they will be compliant to ship into China or not.

Still not supported by all suppliers on NEDA spreadsheet and lack of information is becoming a big issue. "5 of 6" data would be useful if suppliers can provide it. Pushing toward the 1752 standard, but difficult as customers have made their own way because standards were not in place in the beginning. Lack of unique part numbers has created many issues for TTI.

Bob Whetson, Allied Electronics, Inc.

Did not see increased activity through the transition. Most customers want information in their own format which is a challenge. Market for Pb products still exists. Which suppliers plan on producing Pb products? How long?

Michelle Graves, ETI Systems

Most products converted to RoHS with exception of oil field potentiometers. No exemptions granted yet for these products, and legislation from California is creating issues. What is the process for requesting exemptions? Not many inquiries for material information. Status has been satisfactory.

Mike Prince, Brothers Electronics Inc.

Seeing a slow shift to RoHS, along with inventory. No questions on documentation. Certificates sent when requested.

Chuck Amsden, Mouser Electronics

Using IPC1752 and requesting suppliers to use it. Recently did training in Taiwan and China for some suppliers, and has had some success. Complication with IPC is the content. The form itself is not hard to use and is easily imported and exported. Requests for specific information dropped off after Mouser started providing data on packing lists.

Sharon Peek, Avnet

No interruptions in supply chain for RoHS parts. Created own part numbers in cases where suppliers did not create unique part numbers. Shipments are about 50/50 at this time. Information on labels and packing lists for RoHS status. Occasionally get information requests from customers, but not much. Still seeing demand for Pb parts with inventory to support it. Continue to work on segregating inventory and establishing Avnet part numbers on those items that suppliers did not provide unique part numbers.

Suggestion that we update the NEDA spreadsheet with the China requirements once those are defined. Jay will chair the group and subcommittee members will include Rod Spear, Arnold Offner, Mike Griffith, Don Elario and Mary Carter Berrios.

Review of agenda items starting with "Aftermath of RoHS Implementation":

Supplier Readiness:

Comments made that we still need the suppliers to complete the NEDA spreadsheet.

Labeling:

To be discussed after our update on China

Compliance Testing:

Jeff Shafer provided an update on the results of their compliance testing. Newark started with about 6-7 suppliers' products and using an XRF discovered that all read non-compliant. They then sent these products back to the suppliers and asked them to provide proof of testing. The suppliers provided detailed compliance information. Newark then sent product to a third party for breakdown testing and proved that the supplier data was correct. XRF did not work in this case. It is a "surface" analyzer and does not indicate "content" of components.

Howard Dellar asked why a distributor would be concerned with testing. He stated that we should rely on the supplier or producer for that type of information. Jeff replied that because Newark is owned by a UK company, they believed this was part of their "due diligence" to meet requirements of the directive.

Mary pointed out that "due diligence" is only for 2 countries in the EU. It also may be a couple of years before we see a lawsuit to really find out what will happen. All countries will have their own enforcement of the directives.

A white paper from the XRF industry will be extremely helpful to validate concerns with use of XRF equipment. It has value in "screening" functions, but not at the detailed content level.

The handheld devices can also be dangerous to use. Arnold indicated that you need approval to use the XRF device. You must meet all training and safety requirements before you can use the device. Suggestion to have someone from the XRF industry present at our next meeting.

"5 of 6" Compliance:

This is **NOT** a legal or binding condition. It was created by someone in the Telecom industry to describe the manufacturing "exemption" that they have along with the Medical and Internet Infrastructure segments. Pb is required in the terminations ONLY, but all other parts of the component should be compliant. This is "made up" and not valid.

It is difficult to fight this battle with customers who are requesting this information. There is confusion, especially for connectors in that the "5 of 6" may be for cadmium instead of the Pb in terminations. However, some feel that this information would be very helpful if available from suppliers.

If supplier would list their component exemptions on the NEDA spreadsheet, we would be better able to determine this "5 of 6". **Recommendation that we incorporate the IPC numbering system on the NEDA spreadsheet for exemptions.**

TT Electronics (IRC Corpus) is including this information on their labels along with all other RoHS information because of great demand from customers.

Comment was made that several companies in the Medical industry are trying to convert in spite of the exemption for their industry segment. Some consider this as a competitive advantage to be compliant.

Group consensus is that NEDA should not “legitimize” the “5 of 6” status.

Tin Whiskers:

A “Tin Whisker Task Force” has been created by those who are passionate about the tin whisker issue. A third party business has started up that is re-plating parts to satisfy requirements of Pb terminations. Suppliers and distributors are NOT in support of this.

Suggestion that NEDA publish a position statement on re-plating and send that to the ECA for presentation.

Identification of parts returned to distributors: Compliant or Non-compliant?

Howard Dellar asked the question if other distributors are having issues with identifying compliance status on parts returned from customers. When part numbers have not changed, this can be very difficult. Arrow stated they are not accepting returns on non-compliant parts for reason of customer’s “convenience”.

All distributors concurred that if parts are returned for other legitimate reasons, and if parts cannot be identified as compliant or non-compliant, they are placed in a discrepant material bin for later disposition. (return to supplier, return to stock, or scrap)

CHINA ROHS:

Refer to presentation by Mary Carter Berrios.

Notes:

China is trying to create a longer period of usage time so that products are not “throw away” and are produced for a longer use period. They are essentially requiring a “date code” on everything for usage life before the products leach into the environment.

Will we need a separate part numbering system for China RoHS?

Mary asked for update on what distributors are seeing with the part number change process. Distributors concurred that it was painful for the distributors when suppliers did NOT change part numbers. Customers started to ask for part number changes, and the biggest challenge has been managing this internally. Some have created their own internal part numbers to manage the segregation and distinction of compliant vs. non-compliant. **Changing parts numbers has proven to be the right thing to do.**

Rod Spear has an English translation of China RoHS which he will send to Barney for distribution to the group. The “official” translation will be the only version that can be used to interpret the law. Question is which language? Mandarin, Cantonese?

As of November 2007 the release of the catalog of products affected by China RoHS will be published. The first phase will be the labeling and packaging phase. This first phase becomes effective on March 7, 2007.

Labels will need the following:

Six hazardous chemicals banned by EU RoHS will be listed on a matrix at the top of the label. Underneath each chemical, will be either an “X” or an “O”.

X = Substance present

O = Substance not present

Paperwork indicating these details of part contents is required with all shipments inside every inner carton.

There are also symbols that should be used on the labels to indicate if parts are compliant. Arnold Offner will investigate and provide more information when he gets clarification on the directive requirements.

Distributors need this labeling from suppliers on the unit containers. The logistics implication of the China requirements is huge.

All products imported into China must have an environmentally friendly “use” date. This would be the date at which this product would start to break down and potentially leach into the environment. (Expiration Date)

CCC = China Compulsory Certification

18 labs in China – must be certified by these labs

Multiple parts for one CCC will most likely be OK

The CCC “mark” is ONLY an electrical safety test.

There are currently **NO EXEMPTIONS** in China RoHS.

WTO – World Trade Organization

Comments by Arnold Offner:

If this requirement from China is not taken to the WTO by China they may be re-classified as a “developed” country instead of a “developing country”. There could be intellectual property issues. It is a violation of U.S. laws to sell IP to a communist country. Arnold recommends that we ask representatives from our industry to go before the U.S. Trade Commission to make them aware of the political issues and ask for their help to get this before the WTO.

On the EIA website at eia.org there is an article about “Protecting Intellectual Property Rights in China”.

NEDA CITC:

Update from Patricia Smith – Chairperson for Committee

See presentation for details.

Requirements to “validate” the end users.

Suggestion that a “form letter” should be created by NEDA to enforce our position on these issues. Mark Menefee has offered to confirm the letter is appropriate with the Department of Commerce to get the action we desire. Once approved, NEDA will publish to all distributors so each distributor can send individually to the Department of Commerce. This would have a bigger impact than if we sent only one letter from NEDA.

Barney will take action to check with Robin and produce form letter.

EUP – Energy Using Products Directive:

Listing of how much energy being consumed while in use. This does not impact component distributors, but would affect distributors selling “systems”.

Discussed impact of Berry Amendment:

See insert in booklet supplied by Barney. COTS not covered by new specialty metals provisions.

REACH

See presentation by Mary Carter Berrios

Covers 30,000 known chemicals and all new chemicals. Majority of responsibility lies with government today. Industry does not have much responsibility at the moment. Need to regulate and manage where and how the chemicals are used.

This will become effective in January 2007. There is a planned implementation for 11 years. Initially the committee is most concerned about those chemicals used in “highest volume”.

Communication will occur upstream and downstream throughout the supply chain. Producers of the chemicals will be responsible for advising the end users if chemicals can be harmful. Manufacturers of end products must advise chemical manufacturers of how they will use those chemicals. Therefore, materials declarations will need to go both ways up and down the chain.

It will probably be a great challenge to get some of the material content data – i.e. intellectual property.

The EU committee will likely start with 15-20 materials over a 3 year period. Question really is “how much will all of this cost”???

California REACH:

Reference presentation by Mary Carter Berrios

“Green chemistry in Berkley” – State Environment committee commissioned a study by UC Berkley. Three areas are covered: Data, Safety, Technology

MSDS is not broad enough as it exist today. Chemical suppliers don't know all of their uses. There are no legal tools. California and entire US chemical industry is falling behind.

What should we do? How do we handle?

Stay in close contact with customer base. Use industry forums to stay in touch with issues.

How does a distributor handle questions from customers?

Requests should be sent to the suppliers.

Discussion of a proactive approach by suppliers to post information on their web sites. Suppliers commented that this is probably not feasible until there is a clearer understanding of what is required. The chemical manufacturers must first establish a list of chemicals and their uses as well as who buys these chemicals. This may take 6-8 months before this is complete.

Need to find out if there are any labeling requirements for REACH.

Suggestion to utilize IPC 1752 to publish data on content that is accessible from the suppliers' web sites to make it easy for customers and distributors to access the information.

Decision to create a subcommittee on REACH to better understand what we are dealing with and set a NEDA position. Committee members will be: Don Elario, Arnold Offner, Rod Spear, Jay Smith, Sharron Peek, Mary Carter Berrios.

Barney will release the NEDA position paper on Pb Free effective Monday, October 30, 2006. (ACTION ITEM)

The NEDA guideline on labeling will be formatted and released by Barney ASAP. We will publish on the NEDA site.

Sharron Peek will provide the updated list of “authorized” sources/suppliers to Barney regarding counterfeit parts.

IPC 1752:

MIST developing XML guidelines. Mary has draft on document.

“Love affair” with Adobe is over. Committee is working on Version 2.0. This is the XML version with form and field options. Some types of multi-use features to be incorporated.

JEP 113 – Symbols and Labels for Moisture Sensitive Devices

Approval Pending shortly. Includes RoHS labeling for moisture sensitive devices. Sharron Peek will send soft copy to Barney. JEDEC – next meeting January 2007.

J-STD 20

World preferred “defacto” Pb Free soldering profile. MSL profile, IC profile.

There is a Joint Standard Development by the “non-IC” suppliers to convince them that passives must have a separate standard. This was presented at the last ECA meeting. The group will make a proposal to JEDEC to separate the non-IC group from the current J STD 20 requirements. (refer to presentation from Mary Carter Berrios)

ECA meetings are open to anyone who wants to attend. The S1 committee is the meeting for general discussion.

Barney to follow up on Tin Whisker test data. This will help distributors to combat date code restrictions from customers. KOA did an internal study. Solder Tech is currently doing a study on tin whiskers and are asking manufacturers for samples to complete the study.

Discussions regarding next meeting schedule. Potentially January or February on the west coast. Barney to check some dates and send email to members for response. NEDA may offer a one day workshop on “Environmental Issues” to coincide with our next meeting. Barney will advise.