



August 18, 2020

Attention: All Suppliers

Enclosure: OUSD Memorandum, Subject: Implementation of the Section 889(a)(1)(B) Prohibition on Contracting with Entities Using Certain Telecommunications and Video Surveillance Services or Equipment

Dear Supplier,

In our November 2018 *Austal Supplier Newsletter*, we notified you of upcoming legislation related to the prohibition of five Chinese firms' technology. As a follow up, we want to remind you of the two prohibitions of the NDAA for Fiscal Year 2019 (listed below) and the upcoming implementation of the NDAA Section 889(a)(1)(B), Prohibition on Contracting with Entities Using Certain Telecommunications and Video Surveillance Services or Equipment. (See enclosed DOD Memorandum).

- The first prohibition, set forth in section 889(a)(1)(A), took effect **August 13, 2019**, and prohibits the Government from buying and using covered telecommunications equipment or services from five named Chinese companies and their subsidiaries or affiliates.
- The second prohibition, set forth in section 889(a)(1)(B), is effective **August 13, 2020**, and prohibits the Government from contracting with any entity that uses any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system, on or after August 13, 2020, unless an exception applies or a waiver has been granted.

The prohibited companies, which include their subsidiaries or affiliates, are:

- Huawei Technologies Company
- ZTE Corporation
- Hytera Communications Corporation
- Hangzhou Hikvision Digital Technology Company
- Dahua Technology Company



If your company or any of your suppliers have purchased any material from the companies listed above, please contact your Austal Purchasing Representative immediately to disclose what end products are affected.

Sincerely,

Carey Uhle
SCM Compliance Manager

Relevant URLs:

Link to FAR Interim Rule 2019-009 Federal Register Notice:

<https://www.govinfo.gov/content/pkg/FR-2020-07-14/pdf/2020-15293.pdf#page=12>

Link to eCFR FAR Text, FAR Subpart 4.21—Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment:

<https://www.ecfr.gov/cgi-bin/text-idx?SID=838c77b7a66dad87018b95b0f5042b6d&mc=true&node=20200714y1.55>

Link to eCFR FAR Text, FAR Provision 52.204-24, Representation Regarding Certain Telecommunications and Video Surveillance Services or Equipment:

<https://www.ecfr.gov/cgi-bin/text-idx?SID=838c77b7a66dad87018b95b0f5042b6d&mc=true&node=20200714y1.55>

Link to eCFR FAR Text, FAR Clause 52.204-25, Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment:

<https://www.ecfr.gov/cgi-bin/text-idx?SID=a8e20639a0c9a962615998b0d1c40a7c&mc=true&node=20200714y1.62>