



NEDA PUBLICATION

DISTRIBUTORS' POSITION PAPER ON LEAD FREE PRODUCT TRANSITION AND RoHS COMPLIANCE

June 22, 2004

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The following position paper was developed by the National Electronic Distributors Association (NEDA).

Contributing members included:

All American

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Arrow Electronics

Avnet

Future Electronics

Marsh Electronics

Memec: Insight Electronics & Unique Technologies

Newark InOne

TTI



Introduction:

In February of 2003 the European Union released The Restriction of Hazardous Substances in Electrical and Electronic Equipment (RoHS) Directive (2002/95/EC) restricting the use of Lead, Cadmium, Mercury, Hexavalent Chromium and PBB/PBDE flame retardant materials in electrical and electronic products sold in Europe beginning July 1, 2006.

<http://www.environment-agency.gov.uk/netregs/legislation/380525/477158/>

http://europa.eu.int/eur-lex/pri/en/oj/dat/2003/l_037/l_03720030213en00190023.pdf

Supplier-authorized distributors are committed to helping component manufacturers and customers of electronic components develop and manage effective Lead Free product transition and RoHS compliance plans.

Customer perspectives:

In response to the RoHS directive and other environmental initiatives, customers are embarking on substantial product design and process changes. Customers have an immediate need for answers to the following questions.

1. What parts are being transitioned to Lead Free designs?
2. Which parts are RoHS compliant?
3. Are there part number changes?
4. If there are no part number changes how will we be able to order compliant parts?
5. How will I be notified of changes?
6. Will packaging or parts be conspicuously labeled as Lead Free or RoHS compliant?
7. What are the introduction schedules?
8. When will samples be available?
9. When will production parts be available?
10. Are there price changes?
11. Will parts with Tin/Lead plated leads still be available?
12. Is solder profile data available?
13. Here's my Bill of Materials, please answer all the above.

It is crucial that all of this information be readily accessible to distributors and customers in a format which will enable us to manage inventory, support customer inquiries, respond to quote requests and process orders.



The Importance of Unique Manufacturer Part Numbers

Perhaps the most disturbing variation that distributors see in early transition plans of component manufacturers is the release of new lead free designs to existing parts, without new part number assignments. This is a disaster in the making as component manufacturers, distributors and customers struggle to distinguish Lead Free/ RoHS compliant parts from the older parts that will be mixed throughout the supply chain. The confusion will disrupt the electronics supply chain and significantly increase operating costs for everyone.

If there are no unique Part Numbers:

- How do customers order Lead Free/RoHS compliant parts?
- How do distributors order Lead Free/RoHS compliant parts?
- How do you identify Lead Free/RoHS compliant parts in inventory?
- How does the customer manage parts in their MRP system?
- How will distributors manage customer bonded inventory assignments?
- How do you manage returns?
- How do customers identify part changes and report chemical content? (e.g. IMDS)
- How do customers identify non compliant parts in production processes and manage the application risks associated with using parts containing lead in high temperature, lead free solder systems?
- How do customers in the exempt industries (Aerospace and Defense) order parts with lead content?

Many component manufacturers recognized these problems and are creating unique part numbers – often by adding a part number suffix or common identifier within the part number itself.

NEDA Distributors strongly recommend that manufacturers, who have elected to make a “running change” without new part numbers, to reconsider their position. ***Nothing short of new part numbers for Lead Free/ RoHS compliant parts will avert a significant disruption of the supply chain, increase costs and raise regulatory compliance issues.***

Lead Free Transition/RoHS Compliance Information Requirements

While many manufacturers have developed web site designs to provide general Lead Free/ RoHS compliance product information, these sites do not supply the data elements required to compile, manage and communicate Lead Free/RoHS compliant product information from hundreds of manufacturers, on thousands of part numbers, on a daily basis to thousands of customers.

Many component manufacturers have released product change notices to alert distributors and end customers of transition plans and schedules. The best of these only provide general availability dates – often by product family. Distributors and customers require more precise information by part number and date code.



Required Data Elements

NEDA member distributors are providing the attached spreadsheet format to component manufacturers as a means of reporting Lead Free/RoHS compliance transition information at the part number level. Manufacturers should be able to populate much of this information from their existing product databases. Distributors recognize that there are costs to creating new part numbers, but view any other alternative as significantly more expensive to the entire industry.

The header information provides us with links to manufacturer Lead Free/ RoHS contacts and resources. The detailed parts list and data set provides distributors with sufficient data to respond to customer inquiries and quotes. This information will also help distributors to properly order, stock and sell product.

Manufacturers' benefits:

- Improved sales
- Reduce liability risks
- One set of data can be used to communicate information uniformly to all distributors and end customers
- Fewer Lead Free related inquiries
- Fewer order errors
- Fewer returns
- Improved customer satisfaction

We believe that managing the lead free transition/ RoHS compliance information in the suggested format will provide for smoother transition management throughout the supply chain – and component manufacturers, distributors and customer will benefit.

Returns Policy Considerations

Manufacturers will also need to develop appropriate policies to help disposition non Lead Free/RoHS compliant parts which are already in the supply chain. This information should be provided to individual authorized distributors by each manufacturer. These policies will need to consider individual market demands and individual business agreements.

Attachment: Lead-Free/RoHS Compliance Information Worksheet.