



October 30, 2009

To: Hammond Manufacturing Customers and Selling Partners

RE: Buy American Clause of American Recovery and Re-investment Act (ARRA)

As most of you will know, the US Government created a significant stimulus program known as ARRA. One confusing provision in this piece of legislation is the “Buy American Clause” (BAC).

Confusion mainly lies in the application of this BAC, because there are certain levels of government and agencies with differing legal requirements based on overriding trade agreements such as NAFTA and others under the WTO. Waivers for the BAC can also be granted to ensure timely project completions. Negotiations between the US and other foreign governments (e.g. Canada) are on-going which may lead to future exemptions, but no formal deals have been announced as of this date.

Hammond Manufacturing has production in Canada, but also operates other manufacturing facilities in multiple countries including the US.

US manufactured parts include enclosures manufactured primarily from composite non-metallic materials – please contact Hammond to confirm if your specific product needs meets BAC requirements.

As noted above, certain levels of governments and agencies may accept Canadian content and should be looked at on a case by case basis. Hammond will gladly supply any required documentation to verify country of origin as needed.

Should there be any changes to the BAC providing further exemptions, Hammond will update this memo immediately.

If you should have any further questions on this issue, please feel free to contact the undersigned.

Sincerely,

Sheldon Butts
Canadian Sales Manager - Electrical
sbutts@hammfg.com

Damon Accurso
USA Sales Manager – Electrical
daccurso@hammfg.com