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E-RECYCLING INDUSTRY LEADERS CALL FOR CONGRESSIONAL ACTION ON E-WASTE EXPORTS TO COMBAT COUNTERFEITERS, PROTECT NATIONAL SECURITY

Counterfeits from China Threaten Reliability of Critical Infrastructure, Military Technology

Washington, DC – The <u>Coalition for American Electronics Recycling</u> (CAER) today called on Congress to pass responsible electronics recycling policies that stem the export of nonworking, untested e-waste that provides essential raw materials for electronics counterfeiters. Counterfeit microelectronics from China threaten the reliability of critical infrastructure, advanced weapons systems and even consumer safety devices such as airbags, according to experts from the defense and computer industries.

A 2012 U.S. Senate Armed Services Committee study found that counterfeits are pervasive in advanced weaponry, causing serious concerns about the reliability of defense systems – and risks for military men and women. The report states "there is no way to predict how well they will perform, how long they will last, and the full impact of failure." The report also states that "much of the material used to make counterfeit electronic parts is electronic waste, or e-waste, shipped from the United States and the rest of the world to China."

In addition, counterfeits pose a threat to reliable performance across a wide range of domestic infrastructure, including telecommunications, transportation, power generation and distribution and healthcare, according to <u>defense and computer industry experts writing in Roll Call.</u> "While prevention and detection measures are important, we believe we must also choke off the counterfeiters' feedstock: e-waste exports," wrote co-authors Henry Livingston of BAE Systems, a global defense, security and aerospace company; Tom Sharpe of SMT Corporation, an electronics distributor to the defense and aerospace industries and counterfeit mitigation laboratory; and Jim Burger, a partner at the law firm Thompson Coburn LLC, an advisor to the computer industry.

The domestic recycling industry will be an integral part of the solution, stating "There is a strong network of responsible recyclers already established in the United States that is capable of scaling up to meet the additional demand."

CAER supports legislation that requires domestic recycling of all untested, nonworking electronics valued by counterfeiters. However, trade in *tested, working electronics* must remain unrestricted and can grow as domestic recycling increases. According to a U.S. ITC study on this issue, "exports of commodity-grade material would likely increase, as more recycling activity would take place in the United States" and commodities derived from used electronics "would be exported to manufacturing centers in non-OECD countries."

For more information, visit CAER's updated website, <u>americanerecycling.org</u>, which includes extensive background.

About CAER

The Coalition for American Electronics Recycling (CAER) is the voice of the emerging e-waste recycling industry on Capitol Hill. Visit the CAER website for a complete <u>member list</u>. Companies on the steering committee include: Cascade Asset Management, CloudBlue, ECS Refining, Glencore, Hesstech, Hugo Neu, Sage Sustainable Electronics and Sims Recycling Solutions.